

Policy & Resources Panel

20 July 2023



Membership:

Councillors: Evans (Chair), Galley, Goddard, Maples, Redstone and Ungar

You are requested to attend this meeting to be held in the County Hall, East Sussex County Council, St Anne's Crescent, Lewes BN7 1UE at 11.30 am

Quorum: 3

Contact:	Rebecca Smith, Democratic Services Officer 07866 100895 democraticservices@esfrs.org
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Agenda

33. Declarations of Interest

In relation to matters on the agenda, seek declarations of interest from Members, in accordance with the provisions of the Fire Authority's Code of Conduct for Members.

34. Apologies for Absence/Substitutions

35. Notification of items which the Chairman considers urgent and proposes to take at the end of the agenda/Chairman's business items

Any Members wishing to raise urgent items are asked, wherever possible, to notify the Chairman before the start of the meeting. In so doing, they must state the special circumstances which they consider justify the matter being considered urgently.

36. Minutes of the last Policy & Resources meeting held on 27 April 2023 5 - 8

37. Callover

The Chairman will call the item numbers of the remaining items on the open agenda. Each item which is called by any Member shall be reserved for debate. The Chairman will then ask the Panel to adopt without debate the recommendations and resolutions contained in

the relevant reports for those items which have not been called.

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|------------|---|----------------|
| 38. | Revenue and Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/27 Monitoring - Provisional Outturn | 9 - 34 |
| | Report of the Assistant Director Resources/Treasurer | |
| 39. | Revenue and Capital Budget 2023/24 and Capital Programme 2023/24 to 2027/28 Monitoring at Month 2 (end May) | 35 - 56 |
| | Report of the Assistant Director Resources/Treasurer | |

ABRAHAM GEBRE-GHIORGHIS
Monitoring Officer
East Sussex Fire Authority
c/o Brighton & Hove City Council

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Information for the public

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POLICY & RESOURCES PANEL

Minutes of the meeting of the POLICY & RESOURCES PANEL held at County Hall, East Sussex County Council, St Anne's Crescent, Lewes BN7 1UE at 11.30 am on Thursday, 27 April 2023.

Present: Councillors Redstone (Chairman), Galley, Lambert, Powell and Taylor

Also present: D Whittaker (Chief Fire Officer), D Norris (Deputy Chief Fire Officer), M Matthews (Assistant Chief Fire Officer), L Woodley (Deputy Monitoring Officer), D Savage (Assistant Director Resources/Treasurer), L Ridley (Assistant Director Planning & Improvement), H Scott-Youldon (Assistant Director Operational Support & Resilience), A Avery (Finance Manager), A Blanshard (Democratic Services Manager), R Smith (Democratic Services Officer)

66 Declarations of Interest

Cllr Redstone declared a personal, non-prejudicial interest due to his membership of the East Sussex County Council Pensions Committee.

67 Apologies for Absence/Substitutions

There were none.

68 Notification of items which the Chairman considers urgent and proposes to take at the end of the agenda/Chairman's business items

The Assistant Director Resources/Treasurer (ADR/T) informed the Panel that the former Director of Financial Services, Richard Charman, had recently passed away. The Chief Fire Officer (CFO) confirmed that a letter had been sent to the family on behalf of the Service.

69 Minutes of the last Policy & Resources meeting held on 19 January 2023

RESOLVED: That the minutes of the meeting of the Policy & Resources Panel held on 19 January 2023 be approved as a correct record and signed by the Chairman.

70 Callover

Members reserved the following items for debate:

31 Revenue and Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/2 Monitoring at Month 11 (end February)

32 Productivity and Efficiency Plan 2023/24

71 Revenue and Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/27 Monitoring at Month 11 (end February)

Unconfirmed minutes – to be confirmed at the next meeting of the Policy & Resources Panel

The Chairman of the Panel invited the Assistant Director Resources/Treasurer (ADR/T) to introduce the report on the findings of the Month 11 monitoring undertaken on the Revenue and Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/27.

The ADR/T informed the Panel that a net revenue overspend of £427,000 had been identified, with the largest pressure coming from wholetime, overtime and on-call costs within Safer Communities. The risk around the Grey Book pay rise was also highlighted as a significant pressure of £525,000.

The amount attributed to overtime reflected the continuing issues around long-term absence, and that the pressures on utilities and fuel continued to be influenced by inflationary pressures. The underspend in external training had offset some of the pressure.

With regards to the Capital Programme, the ADR/T informed Members that this was being monitored against the revised Capital Budget which had been agreed by the Fire Authority in February 2023. It was highlighted that there had been additional slippage related to Estates. The Panel were also informed that the refurbishment at Hove was now complete, and that Members would have an opportunity to visit the Station at the Members Seminar to be held in July 2023.

Members discussed the reported overspend of £1.5 million attributed to wholetime pay and overtime, asking how this was being monitored and managed. The Assistant Chief Fire Officer (ACFO) responded, informing the Panel that the Safer Communities budget had been impacted by ongoing issues with NHS waiting times, and over establishment over the year. It was highlighted that this over establishment had decreased to 11, down from 22. The Panel asked how quickly the over establishment figure was likely to be reduced further, and the ACFO advised that this figure was expected to be down by October.

Members were informed that sickness was likely to continue to be an issue. The ACFO advised that there was a monthly report presented to the Senior Leadership Team (SLT), as the importance of understanding the actual cost impact of overtime costs on the budget was crucial. In addition, the Chief Fire Officer (CFO) advised Members that there was a need to investigate these costs in greater detail, for example assessing the use of overtime by Station, or by Watch, to ensure that appropriate local control measures were implemented.

The Panel questioned the Capital Programme going forwards and the need to borrow, enquiring as to whether there was capacity to deliver the programme. The CFO informed Members that there was a need to continue to look in detail at the Capital Programme, including assessing the cost of interest charged on loans, and balancing the cost of improving the Service with the cost of maintaining the core service provision. It was emphasised that the

Unconfirmed minutes – to be confirmed at the next meeting of the Policy & Resources Panel

cost of any investment needed to demonstrate effectiveness in terms of improvements delivered.

The CFO advised the Panel that a review was being undertaken to investigate whether the lifespan of the Fleet is appropriate and continues to reflect the length of time that the vehicles are fit for purpose. Members were informed that the number of UK based suppliers of appliances had fallen and therefore the risk of availability, and ability to maintain them needed to be considered. The Assistant Director Operational Support & Resilience (ADOSR) advised that current good practice was to keep appliances for 15 years, however consideration was being given to whether this should be extended to 18 years, whilst acknowledging that there would be risks involved in doing so. In terms of response cars, the ADOSR emphasised the need to consider the green agenda when looking at how the use of these could be reduced and that this needed to be balanced with the need to mobilise staff between locations. It was highlighted that the response cars had not returned to the levels of mileage that they had been covering pre-covid, so there may be a possibility to investigate extending their lifespan based on mileage, rather than the age of the vehicle.

RESOLVED – That the Panel noted:

- i. the risks to Revenue Budget and the projected overspend;
- ii. the risks to the Capital Programme;
- iii. the reduced net forecast drawdown from reserves;
- iv. the grants available and spending plans;
- v. the monitoring of savings taken in 2022/23; and
- vi. the current years investments and borrowing.

72 Productivity and Efficiency Plan 2023/24

The Chairman informed the Panel that the Home Office had required the Productivity & Efficiency Plan to be published by the 31 March 2023, and invited the Assistant Director Resources/Treasurer (ADR/T) to provide a brief introduction to the report.

The ADR/T advised that due to the timeline of the circulation of the requirements for the Plan, and the subsequent deadline, there had not been an opportunity to submit the Plan to the Fire Authority for prior approval ahead of submitting it to the Home Office and publishing on the Authority's website. Members were informed that the Plan included details of the Medium Term Financial Plan (MTFP), including the funding received from Government Grants and illustrated the drawdown from reserves to ensure that the budget could be balanced for 2023/24. It was also highlighted that the justification of increasing the precept by £5 was included.

Unconfirmed minutes – to be confirmed at the next meeting of the Policy & Resources Panel

The Panel discussed the language used around ‘efficiencies’ and the relevance of this to the Fire Service. The Chief Fire Officer (CFO) acknowledged the importance of ensuring that there was clear communication to ensure staff were aware of the distinction between cuts and efficiencies and provided an example of a renegotiation of a contract to reduce costs as an efficiency, rather than a cut. It was reported that the Communications team were working to explain the difference between the two, and that this was also being explained during workplace visits, emphasising the importance of transparency.

The Panel asked for clarification on what was meant by productivity from the Minister’s perspective. The Deputy Chief Fire Officer (DCFO) advised that this was not easily defined, as it was understood differently in different Services. The CFO highlighted that as incident numbers had reduced, there was a need to expand the tasks that staff undertake, for example by undertaking safety inspections. The role of Business Safety events in enabling Fire Fighters to identify risks both to themselves and inhabitants of property was discussed and given as an example of a positive efficiency; enabling them to expand their technical knowledge.

Members asked for further details about the implementation of tranche 4, and whether public consultation was going to be required. The Assistant Chief Fire Officer (ACFO) advised that it was understood that tranches 1-3 would leave a shortfall of approximately £500,000. The possibility of completing tranches 1 and 2 earlier than 31 March 2024 was being investigated, and a wider set of options was due to be reported to the Fire Authority in June 2023, however it wasn’t envisaged that public consultation would be required.

RESOLVED – That the Panel:

- a) noted and commented upon the Productivity & Efficiency Plan 2023/24 as published and submitted to the Home Office; and
- b) did not identify any further information that was required from Officers.

The meeting concluded at 12.46 pm

Signed

Chairman

Dated this

day of

2023

EAST SUSSEX FIRE AND RESCUE SERVICE

Meeting Policy & Resources Panel

Date 20 July 2023

Title of Report Revenue and Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/27 Monitoring – Provisional Outturn

By Duncan Savage – Assistant Director Resources/Treasurer

Lead Officer Alison Avery - Finance Manager

Background Papers Fire Authority Service Planning processes for 2022/23 and beyond – Revenue Budget 2022/23 and Capital Asset Strategy 2022/23 to 2026/27

Revenue and Capital Budget 2021/22 and Capital Programme 2021/22 to 2025/26 – Provisional Outturn

Appendices

- Appendix 1: Revenue Budget 2022/23 Objective
- Appendix 2: Savings Programme 2022/23
- Appendix 3: Grants and Spending Plans 2022/23
- Appendix 4: Capital Programme 2022/23 to 2026/27
- Appendix 5: Estates Capital Budget 2022/23
- Appendix 6: Engineering Capital Budget 2022/23
- Appendix 7: Reserves 2022/23

Implications (please tick ✓ and attach to report)

CORPORATE RISK		LEGAL	
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	

PURPOSE OF REPORT To report on the Revenue and Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/27 provisional outturn.

EXECUTIVE SUMMARY This is the seventh report to Members for the 2022/23 financial year and highlights the Provisional Outturn on the Revenue Budget 2022/23 and 5 year Capital Programme 2022/23 to 2026/27, approved by the Authority in February 2022.

The provisional outturn is a net revenue overspend of £357,000 which is a reduction of £70,000 from the position identified in the last report to Members of £427,000 overspend, as summarised in Appendix 1.

It should be noted the provisional outturn is based on currently available information and is subject to External Audit.

The provisional outturn is due to the following pressures:

- Wholetime, overtime and on-call costs within Safer Communities (£1,950,000)
- Utilities due to inflationary pressures (£193,000)
- Fuel due to inflationary pressures (£136,000)
- Unachievable savings within Prevention (£97,000)

These pressures have been offset in part by the following underspends:

- Additional funding (£459,000)
- Treasury Management interest receivable (£415,000)
- IRMP Crewing Pool (£319,000)
- IT delayed project spend & underspends (£281,000)
- Protection underspend (£169,000)
- Rates reductions (£152,000)
- Procurement (£97,000)
- PMO vacancies (£87,000)

There are a number of other smaller variances which contribute to the provisional outturn position.

The provisional outturn is £70,000 lower than the P11 forecast, this can be largely attributed to:

- Joint Fire Control (£134,000)
Offset by
- Procurement underspends (£121,000)
- HR reductions (£52,000)

There were a number of other smaller reductions which contribution to the movement from the P11 forecast.

SLT agreed additional measures to control its spending at its July meeting and these are set out in detail in section 4.

We have delivered £480,000 (62%) of savings, performance against the Savings Programme is summarised in Appendix 2 and detailed in section 5.

The amount of grants available in 2022-23 was £4.2m, performance against grants and spending plans is summarised in Appendix 3 and detailed in section 5.

The original 2022/23 Capital Budget and five year Capital Strategy of £25,181,000 was approved by the Fire Authority on 10 February 2022. The Capital Strategy was increased to £27,927,000 to include slippage of £933,000 and allocation of spend in advance of £203,000 from 2021/22 and additional budgets for Estates to cover temperature control in sleeping pods and general schemes at £2,016,000. The five-year Capital Strategy was revised to £29,112,000 in February 2023.

The current year Capital Budget was approved by the Fire Authority at £7,250,000 and updated to £8,705,000 (Property £4,395,000 and Fleet and Equipment £4,310,000) including slippage of £933,000 brought forward from 2021/22, allocation of spend in advance of £199,000 from 2021/22 and an additional £721,000 for Estates to cover temperature control in sleeping pods and general schemes. The Fire Authority approved a revised budget for 2022/23 of £4,146,000 in February 2023.

A review of the 2022/23 provisional capital outturn by officers has identified slippage to the value of £513,000 (12.4%). Detailed information is contained within section 8. The Estates and Engineering Capital Projects 2022/23 are detailed in Appendices 5 and 6.

The position on reserves shows an opening balance of £19,161,00. The net drawdown from reserves is £4,701,000, a reduction of £7,079,000 compared to the planned drawdown of £11,780,000. This results in a closing balance of £14,460,000, as detailed in section 9 and summarised in Appendix 7.

There is an increase in the interest receivable on the Authority's cash investments of £15,580,000 due to the Bank of England's increase in base rate. Interest received was £435,000, resulting in a surplus of £415,000 when compared to the budget. Loans totalling £481,000 were repaid as at 31 March 2023. Interest payments on fixed rate loans of £9,817,000 are unaffected.

RECOMMENDATION

The Policy and Resources Panel is recommended to note:

- (i) the provisional 2022/23 Revenue Budget outturn;

- (ii) the provisional Capital Programme outturn including the slippage amount and spend incurred in advance;
- (iii) the net drawdown from reserves during the year;
- (iv) the savings delivered in 2022/23; and
- (v) cash balances invested at year end and borrowing repaid.

1. INTRODUCTION

- 1.1 The Original Revenue Budget 2022/23 and Capital Strategy 2022/23 to 2026/27 was approved at the meeting of the Fire Authority on 10 February 2022.
- 1.2 This is the seventh report to Members for the 2022/23 financial year and highlights the provisional outturn on the Revenue Budget 2022/23 and revised Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/27. It should be noted the provisional outturn is based on currently available information and is subject to External Audit.

	This P&R (Provisional Outturn) £'000	Last P&R (Month 11) £'000	Movement £'000
Revenue (see section 2)	357	427	(70)
Capital in year (see section 7)	(513)	(518)	5

- 1.3 The Revenue Budget approved by the Fire Authority in February 2022 was a net expenditure requirement of £41,766,000
- 1.4 The provisional outturn is a net overspend of £357,000, which is a decrease in spend of £70,000 to that previously reported (£427,000 overspend) which is reflected in the Revenue Budget 2022/23 objective summary at Appendix 1 and detailed in section 2.
- 1.5 The savings requirement 2022/23 is £778,000. The current position shows we have delivered £480,000 (62%) of savings.
- 1.6 The grants available total £4.2m, including grants brought forward from previous years. The quarter 4 grant claims have been submitted, as summarised in Appendix 3 and detailed in section 5.

- 1.7 The revised five year Capital Strategy 2022/23 to 2026/27 was approved by the Fire Authority in February 2023 at £29,112,000. The 5 year Capital Programme is projected to come in on budget as detailed in section 8.
- 1.8 The Fire Authority approved a revised capital budget for 2022/23 of £4,416,000 in February 2023.
- 1.9 A number of Revenue Budget and Capital Programme risks are set out in section 3 and these will continue to be monitored throughout 2023/24. The updated position on Contingency, Reserves, Borrowing and Investments is provided at sections 6, 8 and 9 respectively.

2. REVENUE BUDGET COMMENTARY

- 2.1 The Revenue Budget provisional outturn is an overall overspend of £357,000 (previously £427,000 overspend). This is a decrease in spend of £70,000 since the forecast position reported to Members at P11. This is summarised across divisions in Appendix 1 and detailed explanations are provided below.
- 2.1.1 The support staff pay award of £1,925 per FTE was agreed and was paid in November's pay. The grey book pay award of 7% with effect from 1 July 2022 was agreed and paid in March's pay. The impact of both pay awards is included within the provisional outturn.
- 2.2 **People Services:** The provisional outturn is an overspend of £60,000 as detailed below.
- 2.2.1 **AD People Services:** The provisional outturn is an overspend of £1,000 (previously reported £4,000 underspend). The overspend can be attributed to the grey book pay award.
- 2.2.2 **HR:** The provisional outturn is an overspend of £9,000 (previously reported £60,000 overspend). There is an overspend of £25,000 on staffing due to maternity and sickness cover as well as the backdated staff pay award, £23,000 relates to collaboration occupational health charges, including for 2021/22, £25,000 in relation to unachievable Firewatch savings and £15,000 finders fees relating to fixed term placements in Pension and Payroll posts and £3,000 additional CRB costs due to a change in the process. These are offset by underspends on third party occupational health costs at £41,000 and a further £41,000 across a number of areas, including consultancy, transport, relocation and NHS costs.

There has been a delay in recruiting to the Pensions Administrator post (fixed term) and as such £28,600 has been transferred to the Pensions Admin reserve to fund this post into 2023/24.

A total of £80,000 has been transferred to the People Strategy reserve, relating to delayed projects: HR Intelligence (£10,000), Korn Ferry review of salary structure (£30,000), HR Operating Models (£10,000), EDI Training suite (£20,000) and Rewards & benefits (£10,000). Additionally £12,500 has been drawdown from the People Strategy reserve for E-recruitment.

The movement since P11 is due to reductions in relation to staff pay and occupational health charges.

- 2.2.3 **Health & Safety:** The provisional outturn is an overspend of £37,000 (previously forecast to £47,000 overspend). This relates to a temporary Station Manager post within the team and increased staff costs, offset by underspends on transport, gym equipment and subscriptions.

The movement since P11 is due to a reduction in spend on gym equipment.

The intention was to fund the Station Manager post from an underspend within Occupational Health, but this has not been possible due to increased pressures against their budget during 2022/23.

- 2.2.4 **Service Training Centre:** The provisional outturn is an overspend of £37,000 (previously reported £9,000 overspend). The overspend is driven primarily by pay and overtime to deliver essential training, including on-call training (£379,000). These have been offset by a managed underspend on external training of £247,000. Within the overspend £61,000 can be attributed to the grey book pay award being higher than budgeted. The pressure is offset by underspends, £58,000 relating to income for external training provided and £27,000 relating to spend on scrap cars and timber.

During the year there have been a number of unplanned and unbudgeted training requirements, such as L2 officers training and ship alongside. Ship alongside will be incorporated into the structural firefighting course reducing the pressure in future years. During Covid courses had to run with a reduced number of delegates increasing the overall number of courses required, this has had a knock-on consequence into 2022/23 causing a pressure of £25,000, this has been covered by a transfer from the Covid reserve. This pressure will not be incurred once the courses have caught up.

The movement since P11 can be attributed to the grey book pay award pressure, offset by a reduction in spend on external training.

A total of £144,000 relating to the underspend on firefighter recruitment and training has been transferred to the People Strategy reserve.

- 2.2.5 **Workforce Development:** The provisional outturn is an underspend of £24,000 (previously forecast £13,000 underspend). The underspend can be attributed to the Workforce Development Manager post being filled by a green book staff member, the Learning Pool subscription paid in 2021/22 at £22,000, offset by pressures caused by unachievable training course income (£5,000) and instructors on zero hours contracts (£1,000).

A total of £30,000 has been transferred to the People Strategy reserve relating to Leadership Development Training (£15,000) and Mentoring system development (£15,000).

- 2.3 **Resources/Treasurer:** The provisional outturn is an underspend of £390,000, as follows:

2.3.1 **AD Resources/Treasurer** : The provisional outturn is an overspend of £2,000 (previously reported £2,000 overspend). The overspend is relates to National Insurance and is due to the allocations when the budget was set.

2.3.2 **Estates**: The provisional outturn is an overspend of £16,000 (previously reporting £30,000 overspend). This overspend can be attributed to the backdated staff pay award, a backdated incremental uplift for staff and additional furniture costs driven by capital works.

There is a pressure of £193,000 relating to utilities due to inflationary pressures and an underspend on rates due to revaluation of properties at £152,000. The overall pressure on the Estates budget has been reduced by an underspend on maintenance.

The net Business Rates rebate of £315,000 has been transferred to the capital programme reserve to support potential pressures on Estates capital scheme costs.

2.3.3 **ITG**: The provisional outturn is an underspend of £217,000 (previously reported £149,000 underspend). This can largely be attributed to Pagers & Alerters, Finance Improvement, Station End 4, EDRMS and CRM at £205,000 where a delay in project delivery has resulted in a delay in incurring revenue running costs, an underspend of £23,000 due to the transfer from GTT to MLL for Wide Area Network (WAN) provision, £30,000 relating to Airbus and a further £23,000 relating to Tait. These are offset by the pressure caused by the reduction of £71,000 in Firelink grant. There are a number of other overspends and underspends within the department.

The movement since P11 can be attributed to further underspend in relation to the GTT/MLL transfer at £11,000 and the underspends for Airbus and Tait.

2.3.4 **Finance**: The provisional outturn is an underspend of £67,000 (previously reporting £69,000 underspend). The underspend can be attributed to one-off costs for the Finance Improvement Plan at £45,000 not being required and underspends on audit and insurance.

2.3.5 **Procurement**: The provisional outturn is an underspend of £97,000 (previously reporting £25,000 overspend) is attributable to a part time vacancy within the department (£18,000), consultancy & training held for MBOS programme (£23,000) and uniform/workwear (£48,000) and a number of small underspends on travelling and conferences.

The movement since P11 can be attributed to uniform/workwear at £88,000 due to an error in the forecasting methodology and the impact of the change in workwear provider during the year, the vacancy remaining within the department and the release of consultancy & training budgets which were not required in 2022-23.

- 2.3.6 **Fire Authority Legal Services:** The provisional outturn is an underspend of £26,000 (previously reported £5,000 underspend). The underspend reflects the legal support required during the year.
- 2.4 **Planning and Improvement:** The provisional outturn is an underspend of £103,000 as follows:
- 2.4.1 **Communications:** The provisional outturn is an underspend of £19,000 (previously reported £15,000 underspend). The underspend can be attributed to vacancies within the department, offset by spend on internet replacement. The movement since the P11 report is due to the positions remaining vacant for longer than previously forecast.
- 2.4.2 **Performance:** The provisional outturn is an overspend of £11,000 (previously £12,000 overspend) relating to pay costs, due to the allocation of budget for increments and on-costs during budget setting, as well as the support staff pay award.
- 2.4.3 **PMO:** The provisional outturn is an underspend of £87,000 (previously reported £91,000 underspend) due to vacancies within the department, offset by agency staff spend.
- 2.4.4 **Cost of Democracy:** The provisional outturn is an underspend of £8,000 (previously reported £7,000 underspend) due to a vacancy within the department for part of the year, mileage payments and members allowances.
- 2.5 **Safer Communities:** The provisional outturn is an overspend of £1,679,000 as follows:
- 2.5.1 **AD Safer Communities:** The provisional outturn is an underspend of £36,000 (previously reported £42,000 underspend). The underspend can be attributed to the £40,000 on-call budget allocated outside of the Groups, which is held as contingency, this is offset by pay pressure.
- 2.5.2 **Flexible Crewing Pool:** The provisional outturn is an underspend of £319,000 (previously reported £348,000). The budget was allocated for the Flexible Crewing Pool based on the Pool commencing on 1 June 2022. 2 of the 8 posts have been recruited from 01 January 2023 and the budget and spend for these posts is included within Ops P&P.
- 2.5.3 **IRMP:** The provisional outturn is an overspend of £18,000 (previously reported £5,000). This overspend can be attributed to an additional Group Manager supporting IRMP from January to March 2023. There is also pressure relating to the grey book pay award and travelling expenses, for which there was no budget provision.
- 2.5.4 **Groups:** The provisional outturn for the Groups is £2,015,000 overspend (previously reported £1,505,000 overspend). This overspend can largely be attributed to wholetime pay and overtime at £1,950,600.

Included within this overspend is a pressure of £571,000 caused by IRMP savings that had been expected to be delivered in 2021/22 and 2022/23. This pressure is caused as posts are yet to be removed / reinvested within the business. The pay pressure within the Groups is partly offset by the underspend of £319,000 for the Flexible Crewing Pool (see 2.5.2).

During the year the groups have been over establishment, with some of the 22 new recruits remaining supernumerary.

A significant pressure on the budget during the year has been the ongoing use of fixed term contracts to cover long term sickness, suspensions and individuals on light duties, which resulted in a pressure of £673,000. The below table shows the number of additional posts during the year.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FTC	17	18	16	14	11	10	13	14	13	13	13	11

The overtime overspend is £341,000. Overtime has been utilised to provide cover for Covid and other short term sickness absences, light duties, drivers and incident commanders.

On-call costs are £107,000 underspent. Underspends in relation to on-call being under-establishment is offset by pressures relating to operational and ancillary hours. In addition an adjustment of £34,600 has been posted in relation to an amount previously accrued centrally that related to part time workers

An additional pressure of £30,000 relates to income from Dry Riser Testing, which was not delivered.

The movement since P11 can be attributed to the grey book pay award.

- 2.5.5 **Protection:** The provisional outturn is an underspend of £169,000 (previously reported £186,000 underspend). The underspend relates to pay costs with a number of vacancies across grey and green book posts within the team.

The movement since P11 can be attributed to the grey book pay award. The Protection forecast has been impacted through the year by numerous payroll mis-codings. The Finance team are working with the Payroll team to resolve these issues.

- 2.5.6 **Prevention:** The provisional outturn is an overspend of £171,000 (previously reported £163,000). There is a pressure of £97,000 relating CRM and Education post savings not deliverable in year, £44,900 for agency staff to provide support prior to CRM being rolled out, £58,800 for the running costs of the Cadet scheme and £32,800 in relation to Home Safety visits where lone working is not appropriate and to cover sickness/maternity within the Prevention team. There are underspends totalling £27,800 across Safe Drive, Biker Down, Safety in Action and Electric Blanket testing due to the method of delivery as some schemes have not yet fully reverted to their pre-Covid ways of working. There were vacancies within the department totalling £40,000.

2.6 **Operational Support & Resilience:** The provisional outturn is an overspend of £220,000 as follows:

2.6.1 **AD OSR:** The provisional outturn is an overspend of £8,000 (previously reported £5,000). The overspend can be attributed to the grey book pay award and FBU overtime, for which no budget is provided. The movement since P11 can be attributed to the grey book pay award.

2.6.2 **Special Projects:** The provisional outturn is an overspend of £20,000 (previously reported to budget). This spend relates to redundancy costs following the move to Joint Control Room which were incurred as there was insufficient funds remaining in the Mobilising reserve to cover the cost.

2.6.2 **Engineering:** The provisional outturn is an overspend of £31,000 (previously reported £9,000 overspend). High inflation levels have impacted fuel prices resulting in a pressure of £136,000, additionally there is an overspend of £83,000 on vehicle maintenance, with unexpected mechanical failures on pumping appliances. These are offset by underspends of £131,000 on equipment as the equipment budget is based on an old replacement programme and £68,000 additional income for vehicle sales. There are some other small overspends and underspends within the department.

The movement since the P11 forecast can be attributable to equipment being received prior to 31 March, when the assumption was previously that the items wouldn't be received until the new financial year.

2.6.3 **Ops P&P:** The provisional outturn is an overspend of £22,000 (previously reported £14,000 overspend). The overspend can be attributed to £22,000 overspend on overtime which can be attributed to Fires in Tall Buildings training, £13,000 for shared 4F BA Project Manager, offset by underspends on staffing due to part year vacancies. There are a number of other small variances in the department.

The movement since P11 can be largely attributed to the grey book pay award, with a small reduction in spend on overtime.

There have been significant delays in works on hydrants during the year which could present a pressure in future financial years.

2.6.4 **Control Room:** The provisional outturn is an overspend of £139,000 (previously reported £5,000 overspend). The overspend can be attributed to pay, with the impact of maternity leave and the 7% pay award increasing costs, as well as overtime due to increased activity. There were additional overspends on IT and telephony.

The original Control Room budget included our share of a proposed Group Manager post, but the post was not agreed during 2023-24.

The forecasting is based on the information provided by Surrey and the main reasons for the movement since P11 can be attributed to the pay award, with secondment costs omitted from previous forecast in error.

- 2.7 **CFO:** The provisional outturn is an underspend of £41,000 (previously reported £22,000 underspend). The underspend can be attributed to a vacancy and part time appointments covering full time support roles with a number of underspends on non-pay costs for travelling, accommodation and subsistence.

The movement since P11 can be attributed to the vacancy remaining along with lower spend than anticipated on non-pay.

- 2.8 **Treasury Management:** The provisional outturn is £420,000 underspend (previously reported £410,000 underspend). The interest received during 2022/23 was £415,000 higher than the budget of £20,000, two factors have influenced this return, the amount available to invest has been higher than expected as drawdown from reserves has been slower than anticipated and the interest rates have increased, with the Bank of England base rate increasing from 0.75% to 4.25% during 2022/23. Additional underspend of £5,000 relates to bank charges, interest payable and commission being lower than budgeted.

- 2.9 **Non Delegated Costs:** The provisional outturn is an overspend of £31,000 (previously reported £62,000 overspend). The overspend largely relates to Procurement savings of £50,000, which need to be allocated across the Service, with a further £18,000 relating to ill health retirement costs. These are offset by an underspend of £34,000 in relation to the budget set aside for costs associated with Industrial Action.

The movement since P11 relates to the underspend for Industrial Action.

- 2.10 **Wholetime Pay:** Within the P11 report a forecast of £535,000 was included separately to reflect the expected impact of the grey book pay award. This can now be posted out to the relevant departments.

- 2.11 **Financing:** The provisional outturn is additional funding of £460,000.

- 2.11.1 When the budget paper was presented to the Fire Authority in February the exact position regarding business rates income was unknown. Additional income of £407,000 was received.

- 2.11.2 An additional £28,000 was drawn down from reserves relating to the Council Tax and Business Rates Covid-19 Tax Income Guarantee following confirmation of the final amounts in 2021/22.

- 2.11.3 Additional income of £65,000 was received as a result of the Government refunding a surplus on the Business Rate Levy.

- 2.11.4 The additional income is offset by a pressure of £40,000 in Council Tax as an incorrect tax base was provided by one billing authority during the budget setting process.

3. REVENUE BUDGET AND CAPITAL PROGRAMME RISKS

- 3.1 **Pension Costs:** There is continued reliance on one-off grant to fund increased contributions for FPS as well as the uncertainty on the cost and funding of the remedy from the Sargent case (initial estimate of historic liability approx. £5m, ongoing costs £0.9m p.a.). For the latter it is now understood that the cost will impact through the next quadrennial scheme valuation i.e. from 2025/26 onwards. The Authority will be directly liable for the cost of any Injury to Feelings claims and any additional administrative costs of implementing the remedy. The Government has also confirmed that it will not fund non scheme costs including unauthorised tax charges and scheme sanction charges in the current tax year. A Pension Administration reserve is held to fund costs resulting from remedy implementation. The balance of this reserve as at 31 March 2023 is £216,000, of this total £28,600 relates to funding for the Pensions Administrator post as there has been a delay to recruiting to this post during 2022/23. A total of £160,800 has been committed against this reserve in 2023/24.
- 3.2 **Pay Award 2022/23:** The budget provided for 2% pay awards across gold and grey book staff. The pay award for grey book staff has been settled at 12% over two years, with the impact of the 7% from July 2023 included within the provisional outturn position. The Finance team are work analysing the impact of this pay award for 2023/24 and this will be reported in due course.
- 3.3 **Worldwide Supply Chain Issues:** The impact of worldwide supply chain disruption is impacting construction projects across the nation. The dwindling supplies along with increased costs and long delivery times being experienced by the construction industry are impacting on the Capital Programme. Thus far the Estates team has worked with stakeholders to bring tender costs back within budget through value engineering where possible on those projects which the Authority committed to following the phase 1 review of the Estates Capital Programme, but this approach may not be sustainable. There are two potential impacts, firstly increases in the cost of projects and secondly slippage of projects and spend into future years (which could in itself lead to additional increased costs). The Phase 2 review which is considering all projects at Day Crewed and On Call stations will need to assess the impact of increased costs and affordability.
- 3.4 **Utilities and Fuel Inflationary Increases:** There have been considerable inflationary rises in utilities and fuel costs, which have been exacerbated by the ongoing conflict in Ukraine. An additional pressure of £85,000 over and above the standard 2% inflationary factor was included in the budget for 2022/23. The provisional outturn position for both utilities and fuel is an overspend.
- 3.5 **Inflationary Contract Increases:** In addition to utilities and fuel additional budget provision was allocated for timber (£40,575) and catering (£13,000). A standard 2% inflationary budget increase was included for all non-pay totalling £227,000.

4. MANAGING REVENUE BUDGET PRESSURES

- 4.1 As risks crystalised during 2022/23 the resulting pressures were included in the revenue budget forecast.

- 4.2 SLT agreed the following actions at its July meeting:
- Vacancy Management would be reviewed immediately and started to be put in place in the coming months. Workforce Planning Group would be used as mechanism to:
 - approve recruitment to all vacancies
 - approve the use of agency staff
 - have oversight of overtime spend (with particular focus on Safer Communities and Training)
 - review and agree forecasts for operational (grey book) strength.
 - Management of discretionary spend would also be a key focus and SLT agreed that as part of the P4 budget monitoring:
 - all budget managers would review with their Finance Business Partner opportunities to manage underspends on non-pay spend in 2022/23 with a particular focus on areas such as training, estates maintenance and equipment (IT and Engineering)
 - the finance team would review corporate opportunities to manage generic spend e.g. agency staff, conferences, catering, accommodation / venue hire, printing etc

5. SAVINGS PROGRAMME 2022/23

- 5.1 Appendix 2 summarises the net savings requirement 2022/23 of £778,000.
- 5.2 Current projections show we have delivered £480,000 (62%) of savings.

The following savings were not achieved and contributed to the overall overspend in the revenue budget:

- £25,000 Firewatch – due to duplication in budget, this has been corrected ahead of 2023/24
- £55,000 CRM – due to delay in roll-out, savings will be reviewed in 2023/24
- £130,000 IRMP – due to delays relating to Day Crewing Duty System and Group Crewing in the City, savings expecting to be achieved in 2023/24 and removal of posts and delivery of savings will be monitored.
- £40,000 Education Team – due to delay in removal of post, this has been replaced with a Volunteer Co-ordinator post with savings achieved for 2023/24.
- £48,000 Telent contract – Remain outstanding and to be re-profiled in 2023/24. £15,000 savings were delivered in 2022/23.

6. GRANTS 2022/23

- 6.1 The Government has awarded grants for use on specific purposes and your officers will ensure these are delivered in accordance with grant conditions. These include grants awarded in year, brought forward from previous years where their spending plans fall over more than financial year and others that require development of spending plans. The amount available is £4.2m, as summarised in Appendix 3. Grant returns have been submitted for the year.

- 6.2 The latest grants are detailed below:
- 6.2.1 **Covid-19:** – £95,855 has been carried forward from 2021/22. The Home Office has confirmed that any outstanding balance of the 2021/22 Covid Grant can be utilised on Efficiency or Productivity activity. A transfer of £25,000 has been made from this reserve to cover the additional training costs incurred in 2022/23 as a result of Covid-19. The remaining balance of £70,855 will be carried forward to 2023/24.
- 6.2.2 **Surge Protection Grant Funding:** – this is specifically to deal with inspections for high rise buildings and other high-risk buildings. The grant conditions have been received. A further allocation of £358,079 was awarded for 2022/23. A spend plan has been developed to utilise this grant and the £227,808 brought forward from 2021/22. A total of £460,242 has been spent during 2022/23 with the remaining balance of £125,645 being carried forward to 2023/24.
- 6.2.3 **Grenfell Infrastructure Fund:** £4,509 was carried forward from 2021/22 to help support FRS to put in place a local Grenfell Inquiry recommendations co-ordination function which will help co-ordinate local activity and support the national work led by the NFCC; drive progress on local improvements and ensure funding for smoke-hoods and other technical investments. This balance has been utilised during 2022/23.
- 6.2.4 **Accreditation & RPL Grant Funding:** £22,737 is carried forward from 2021/22 for the purposes of accrediting fire protection officers and fire safety engineers. It is anticipated this grant will be utilised over the next three years.
- 6.2.5 **Fire Fighter Pension Scheme:** this is used towards the shortfall in employer's pension contributions and £1.7m was received in June 2022.
- 6.2.6 **New Dimensions:** £31,739 was carried forward from 2021/22 and additional £27,430 grant relates to 2022/23. A total of £11,586 has been spent in 2022/23 with the balance of £59,169 carried forward to 2023/24.
- 6.2.7 **Responding to New Risks:** £32,520 was carried forward from 2021/22, with the 2022/23 grant confirmed as £6,500. A total of £8,205 was spent in 2022/23 with the balance of £39,020 carried forward to 2023/24.

7. **CONTINGENCY 2022/23**

- 7.1 The Fire Authority maintains a contingency in order to assist it in managing one-off unforeseen pressures and making investments within the financial year. At its' meeting held in February 2022, the Fire Authority agreed a contingency of £298,000 for the 2022/23 financial year.
- 7.2 SLT allocated £48,000 to support Industrial Action related costs. The remaining contingency budget of £250,000 is used to support the Service's overspend, reducing the overall outturn variance accordingly.

8. CAPITAL PROGRAMME COMMENTARY

8.1 The original 2022/23 Capital Budget and five year Capital Strategy of £25,181,000 was approved by the Fire Authority on 10 February 2022. The Capital Strategy had been increased to £27,927,000 to include slippage of £933,000 and allocation of spend in advance of £203,000 from 2021/22 and additional budgets for Estates to cover temperature control in sleeping pods and general schemes at £2,016,000.

8.2 The Fire Authority on 9 February 2023 approved the original 2023/24 and five year Capital Strategy and in doing so, revised the 2022/23 Capital Budget and five year Capital Strategy 2022/23 to 2026/27 to the level of £29,114,000.

8.3 The Capital Programme is funded by: Capital Receipts Reserve £4,153,000, Capital Programme Reserves £10,906,000, and New Borrowing £14,055,000 as shown in the table below. Overall, the revised 5 year Capital Programme is forecasted to come in on budget, as summarised in Appendix 4.

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Estates	2,038	4,680	2,849	4,347	3,151	17,065
Fleet & Equipment	2,108	3,741	2,530	1,742	1,928	12,049
Original Approved Programme	4,146	8,421	5,379	6,089	5,079	29,114
Slippage into 2023/24	(516)	516	0	0	0	0
Updated Capital Programme	3,630	8,937	5,379	6,089	5,079	29,114
Funded by:						
Capital Receipts Reserve	3,630	520	0	0	0	4,150
Capital Programme Reserve	0	4,906	1,500	2,000	2,500	10,906
New Borrowing / Need to Borrow	0	3,511	3,879	4,089	2,579	14,058
Updated Capital Programme	3,630	8,937	5,379	6,089	5,079	29,114

8.4 **Capital Funding** – The Service has been successful in its bid for Community Infrastructure Levy (CIL) funding from Lewes District Council. £289,000 has been awarded which will part fund the planned enhancements at Barcombe and Seaford Fire Stations, reducing the need for future borrowing. The sale of the Fort Road site in Newhaven has been stopped and the capital receipts in relation to this sale removed from capital funding through the capital receipts reserve.

8.5 The **Capital Budget 2022/23** was approved by the Fire Authority at £7,250,000 and updated to £8,705,000 (Property £4,395,000 and Fleet and Equipment £4,310,000) including slippage of £933,000 brought forward from 2021/22, allocation of spend in advance of £199,000 from 2021/22 and an additional £721,000 for Estates to cover temperature control in sleeping pods and general schemes omitted from the original budget. The Fire Authority approved a revised budget for 2022/23 of £4,146,000 on 9 February 2023.

8.6 A review of the 2022/23 provisional capital outturn by officers has identified slippage to the value of £513,000 (12.4%). Estates are expecting slippage of £975,000, with Fleet and Equipment having incurred spend ahead of 2023/24 of £462,000, as summarised in Appendix 6.

- 8.6.1 The Estates/Property provisional outturn is slippage of £975,000 across the whole capital programme.
- 8.6.2 The Fleet & Equipment programme has incurred spend in advance of £462,000. Five vehicles have arrived earlier than previously anticipated and this is offset by slippage in relation to the installation of CCTV cameras on vehicles.

9 RESERVES 2022/23

- 9.1 The Fire Authority maintains Reserves in order to assist it in managing its specific spending plans across the financial year (Earmarked Reserves), making provisions for the financial risks it faces (General Fund Reserves) and making investments in its assets (Capital Receipts Reserve).
- 9.2 The opening balance as at 1 April was £19,161,000.
- 9.3 The net drawdown from reserves totals £4,701,000 compared to the original planned net drawdown of £11,780,000. This is a net reduction in drawdown of £7,079,000 resulting in an estimated balance at 31 March 2023 of £14,460,000 as summarised in the table below and detailed over individual reserves in Appendix 7.

		Original Planned Net Transfers	Actual Net Transfers	Net change	Month 12 Balance at 31 March 2023
	Balance at 1 April 2022	2022/23	2022/23	2022/23	Balance at 31 March 2023
	£'000	£'000	£'000	£'000	£'000
Earmarked Reserves	12,993	(7,763)	(609)	7,154	12,384
General Fund	1,913	0	(357)	(357)	1,556
Total Revenue Reserves	14,906	(7,763)	(966)	6,797	13,940
Total Capital Reserves	4,255	(4,017)	(3,735)	282	520
Total Usable Reserves	19,161	(11,780)	(4,701)	7,079	14,460

- 9.4 The main reasons for the overall net reduction in forecast drawdown of £7,048,000 are as follows:

Earmarked Reserves – Decrease of £7,154,000

- £464,000 – changes to Business Rates Pool Reserve following latest confirmed position from the pool for 2021/22 & 2022/23 and reduction in funding to support Protection in 2022/23
- (£5,000) – increased drawdown from Business Rates Retention Pilot – financial stability due to error in expected drawdown at budget setting
- £2,331,000 – reduced drawdown from the ITG Strategy Reserve
- £463,000 – reduced drawdown from Mobilising Strategy Reserve due to the balance of reserve being lower than anticipated

- £3,524,000 – reduced drawdown from the Capital Programme Reserve due to slippage of capital programme
- (£9,000) – increased drawdown from the Improvement & Efficiency Reserve
- £257,000 – reduced drawdown from the People Strategy Reserve and underspend of £144,000 on firefighter recruitment returned to reserve
- £51,000 – reduced drawdown from the Carry Forward Reserve
- £173,000 – reduced drawdown from the Pensions Admin Reserve
- £1,000 – additional contribution to cadets reserve
- (£96,000) – increased drawdown in respect of grant balances carried forward

Capital Reserves – Decrease £282,000

- (£525,000) – due to loss of capital receipt for Fort Road following decision to stop sale of property to Lewes District Council
- £20,000 – due to additional capital receipts in respect of sold vehicles
- £787,000 – due to slippage of the capital programme

General Fund – Increase (£357,000)

- (£357,000) – to fund the service overspend as agreed at February CFA

10. BORROWING AND INVESTMENT

10.1 As at end March, the Authority held cash balances of £15,580,000 which are invested in accordance with the Treasury Management Strategy, as follows:

Counterparty	Duration	Amount	Interest Rate
		£m	%
Aberdeen Cash Money Market Fund	Overnight Access	3.580	4.06
Barclays	95 Day Notice	4.000	4.30
Standard Chartered ESG	Fixed to 05/04/23	1.000	4.06
Standard Chartered ESG	Fixed to 05/07/23	2.000	4.15
Standard Chartered ESG	Fixed to 10/08/23	1.000	4.27
Natwest	Fixed to 25/04/23	2.000	2.46
Natwest	Fixed to 02/08/23	2.000	2.61
Total Investments		15.580	

10.2 The Bank of England base rate rose to 4.25% in March, an increase of 0.75% since the P11 report. We are seeing an impact as Banks increase their rates on investments, resulting in higher levels of interest receivable. The provisional outturn includes interest income of £435,000, £415,000 above the budget of

£20,000. The interest income budget was reduced from the previous year to reflect the planned reduction in funds available for short term investment and the previous reduction in interest rates during Covid-19.

- 10.3 The Authority has borrowing totalling £9,817,000 and there is no impact on the interest payable, as these are subject to fixed interest rate deals. Loans totalling £481,000 were repaid as at 31 March 2023. A more detailed review of Treasury Management activity was provided to Fire Authority in June as part of the Annual Stewardship Report.

Revenue Budget 2022/23 – Objective Summary

	Original Budget	Revised Budget	Projected Outturn	Variance	Variance	Variance Month 11 Reported to P&R	Variance From Last Reported
	£'000	£'000	£'000	£'000	%	£'000	£'000
People Services	4,337	4,337	4,397	60	1.4	100	(40)
Resources/Treasurer	8,180	8,193	7,803	(390)	(4.8)	(206)	(183)
Planning and Improvement	1,248	1,248	1,145	(103)	(8.3)	(110)	7
Total Deputy Chief Fire Officer	13,766	13,778	13,345	(433)	(12)	(216)	(217)
Safer Communities	21,939	21,721	23,400	1,679	7.7	1,098	581
Operational Support	4,566	4,572	4,792	220	4.8	34	186
Total Assistant Chief Fire Officer	26,505	26,293	28,192	1,899	13	1,132	767
CFO Staff	805	805	764	(41)	(5.1)	(22)	(19)
Treasury Management	870	870	450	(420)	(48.3)	(410)	(10)
Non Delegated costs	(1,108)	(1,060)	(1,029)	31	(2.9)	62	(30)
Corporate Contingency	298	250	0	(250)	(100.0)	(250)	0
Transfer from Reserves	(462)	(262)	(262)	0	0.0	0	0
Transfer to Reserves	1,092	1,092	1,122	31	2.8	0	31
Total Corporate	1,495	1,695	1,045	(650)	(153)	(620)	(30)
Wholetime pay	0	0	0	0	0.0	525	(525)
Total Net Expenditure	41,766	41,766	42,582	816	(153)	296	(5)
Financed By:							
RSG	(3,325)	(3,325)	(3,325)	0	0	0	0
Council Tax	(29,288)	(29,288)	(29,248)	40	(0)	40	0
Business Rates	(7,764)	(7,764)	(7,494)	270	(3)	270	0
Service Grant Allocation	(535)	(535)	(535)	0	0	0	0
Levy Surplus	0	0	(65)	(65)	0	0	(65)
Covid-19 Local Tax Support Grant	(29)	(29)	(56)	(27)	93	(27)	0
S31 Grants	(1,125)	(1,125)	(1,439)	(314)	28	(314)	0
S31 Grants BRR Relief	0	0	0	0	0	0	0
Transfer from Reserves	(836)	(836)	(714)	122	(15)	122	0
Collection Fund Surplus/Deficit	1,136	1,136	651	(485)	(43)	(485)	0
Total Financing	(41,766)	(41,766)	(42,225)	(459)	1	(394)	(65)
Total Over / (Under) Spend	0	0	357	357	0	(98)	(70)

Appendix 2

Savings Programme 2022/23

Division	Team	Responsible Officer	Business Area Lead Name	Description	Savings 22/23 £'000	Projection 22/23 £'000	At Risk £'000	R.A.G Rating Select Status
RT	Estates	Duncan Saeage		Estates Strategy revenue maintenance savings.	(45)	(45)		Delivered
All	All	All		Travel & subsistence	16	16		Delivered
OSR	Engineering	Hannah Scott-Youldon		Fuel	15	15		Delivered
PS	HR	Jules King		Fitwatch Project	(25)		(25)	Not
PS	Training	Jules King		STC Catering contract savings	(6)	(6)		Delivered
RT	ITG	Duncan Saeage		IT Strategy - delay some projects from 21/22 to 22/23	100	100		Delivered
RT	Procurement	Duncan Saeage		Category Strategy Savings	(25)	(25)		Delivered
SC	All ops	Matt Lloyd		RMP Savings	(130)		(130)	Not
PS	Training	Jules King		Catering contract	(6)	(6)		Delivered
PS	Training	Jules King		Deep cleaning contract	(2)	(2)		Delivered
PS	Training	Jules King		First Aid training	(9)	(9)		Delivered
PS	Training	Jules King		IOSH training	(3)	(3)		Delivered
PS	Training	Jules King		Call leadership	(2)	(2)		Delivered
OSR	Engineering	Hannah Scott-Youldon		Crank extension	(5)	(5)		Delivered
OSR	AD	Hannah Scott-Youldon		Equipment	(8)	(8)		Delivered
OSR	Ops P&P	Hannah Scott-Youldon		External Training	(1)	(1)		Delivered
OSR	Ops P&P	Hannah Scott-Youldon		Equipment	(1)	(1)		Delivered
OSR	Ops P&P	Hannah Scott-Youldon		Hydrants Repairs	(2)	(2)		Delivered
OSR	Ops P&P	Hannah Scott-Youldon		Subscription (Services)	(4)	(4)		Delivered
SC	Groups	Matt Lloyd		RDSO Post	(50)	(50)		Delivered
SC	Community Safety	Matt Lloyd		Education Team	(40)		(40)	Not
SC	All	Matt Lloyd		Advert & Publicity	(43)	(43)		Delivered
P&I	PMO	Liz Ridley		Consolidation of Project Management capacity	(25)	(25)		Delivered
P&I	Comms	Liz Ridley		External Printing	(10)	(10)		Delivered
P&I	Comms	Liz Ridley		Stationery	(1)	(1)		Delivered
P&I	Comms	Liz Ridley		Postage	(4)	(4)		Delivered
P&I	P&I	Liz Ridley		Advert & Publicity	(1)	(1)		Delivered
P&I	P&I	Liz Ridley		Car Allowances	(1)	(1)		Delivered
P&I	P&I	Liz Ridley		Consultants Fees	(10)	(10)		Delivered
P&I	P&I	Liz Ridley		Officer Subsistence	(1)	(1)		Delivered
P&I	Dem Services	Liz Ridley		Subscriptions	(1)	(1)		Delivered
P&I	Dem Services	Liz Ridley		Member conferences	(1)	(1)		Delivered
RT	Finance	Duncan Saeage		Non pay/budgets	(10)	(10)		Delivered
RT	Procurement	Duncan Saeage		Accommodation & conference fees	(2)	(2)		Delivered
RT	ITG	Duncan Saeage		Password Management	(15)	(15)		Delivered
RT	ITG	Duncan Saeage		CAM Management	(3)	(3)		Delivered
RT	ITG	Duncan Saeage		Talent Contract	(63)	(15)	(48)	Part Delivered
Central	Contingency	Duncan Saeage		Reduce contingency (one year only)	(48)	(48)		Delivered
RT	ITG	Duncan Saeage		Control - IT	(218)	(218)		Delivered
RT	ITG	Duncan Saeage		IT Strategy - delay some projects from 22/23 to 23/24	(33)	(33)		Delivered
SC	Prevention	Matt Lloyd		CRM	(55)		(55)	Not
				Total Net Savings	(778)	(480)	(298)	

Appendix 3

Grants and Spending Plans 2022/23

Grants Requiring Claims	Lead AD	*Grant Brought Forward 1 April 2022	Grant 2022/23	Total Available Grant	Claim Quarter 1	Claim Quarter 2	Claim Quarter 3	Claim Quarter 4	Balance Remaining
		£	£	£	£	£	£	£	£
ESMCP - LTR Regional	Hannah Scott-Youlton	163,439	-	163,439	20,618	7,740	7,158	68,198	59,725
**ESMCP - Infrastructure	Hannah Scott-Youlton	1,425,000	-	1,425,000	-	-	-	-	1,425,000
Accreditation & RPL Funding	Matt Lloyd	22,737	-	22,737	-	-	-	-	22,737
Grenfell Infrastructure Fund	Hannah Scott-Youlton	4,509	-	4,509	-	-	-	4,509	0
Surge Protection Grant Funding - Protection Uplift	Matt Lloyd	227,808	358,079	585,887	70,290	72,385	141,015	176,552	125,645
		1,939,347	358,079	2,201,571	90,908	80,125	148,173	249,259	1,633,106

Grants - No Claims Requirement	Lead AD	Balance Remaining	Grant 2022/23	Total Available Grant	Comments	Balance Remaining
		£	£	£		£
COVID - 19	Duncan Savage	95,855	-	95,855	Available to spend on Efficiency & Productivity - £25k allocated to Training	70,855
Firelink	Duncan Savage	0	191,227	191,227	Used to fund Airwave costs in 2022/23	0
New Dimensions	Hannah Scott-Youlton	31,739	27,430	59,169	£11,586 spent in 2022/23	59,169
Pensions Grant	Duncan Savage	0	1,734,984	1,734,984	Used in 2022/23	0
Responding to New Risks	Hannah Scott-Youlton	32,520	6,500	39,020	£8,205 spent in 2022/23	39,020
Total		1,083,975	1,960,141	2,024,400		
Overall Total Grants		3,023,322	2,318,220	4,225,971		1,633,106

Notes:
* the grants brought forward are held in earmarked reserves (Appendix 7)

Capital Programme 2022/23 to 2026/27

Capital Programme Expenditure 2022-23 to 2026-27	Total Budget	Total Previous Years	2022/23	2023/24	2024/25	2025/26	2026/27	Remaining Spend	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Property									
Shared Investment Schemes									
Integrated Transport Project	835		35				800	835	-
Roedean Betterment	25		25						
Bohemia Road Betterment	95		95						
Fort Road - RIBA Stages 1-2	45		45						
Preston Circus	3,287	122	453	1,062	1,650			3,165	-
Total Shared Investment Schemes	4,287	122	653	1,062	1,650	-	800	4,000	-
Strategic Schemes									
- Replacement Fuel Tanks	492	450	7	35				42	-
- Partner contribution	(292)	(292)							-
- Replacement fuel tanks net cost	200	158	7	35	-	-	-	42	-
Design Guide	356	356							-
Hove	544	64	480					480	-
Roedean	482	45	22	415				437	-
Eastbourne	587	74	45	468				513	-
Bohemia Road	524	28	40	456				496	-
Security	386	67	98	221				319	-
Sustainability	171	21	40	80	30			150	-
MP TH	399	399							-
Eastbourne MP TH	259	7	30	222				252	-
Training Centre MP TH	308	7	36	265				301	-
Hove MP TH	278	7	35	236				271	-
Bohemia Road MP TH	257	8	39	210				249	-
Live Fire Training	4,000	48	15	20	437	2,500	980	3,952	-
Total Strategic Schemes	8,751	1,289	887	2,628	467	2,500	980	7,462	-
End July									
General Schemes	830	830							-
Phase 1 General Costs	36		36					36	-
Seaford CIL	296	3	7	5	281			293	-
Seaford CIL partner Contribution	(133)				(133)			(133)	-
Barcombe CIL	392	4	9	5	374			388	-
Barcombe CIL Partner Contribution	(156)				(156)			(156)	-
The Ridge	408				20	388		408	-
Hailsham	184	19	8		10	147		165	-
Rye	532	3	45		17	467		529	-
Battle	163	1				56	106	162	-
Herstmonceux	50						50	50	-
Bexhill	200						200	200	-
Heathfield	280	9	9		19	243		271	-
Uckfield	495	8				100	387	487	-
Lewes	578	6	1			241	330	572	-
Pevensey	30						30	30	-
Forest Row	30						30	30	-
Mayfield	30						30	30	-
Seaford HVP Alterations	94	7	87					87	-
Total General Schemes	4,339	890	202	10	432	1,642	1,163	3,449	-
Bay Doors, Floors, IT	1,515		90	712	300	205	208	1,515	-
Training Towers	279		133	146				279	-
Temperature Control in Sleeping Pods	195		73	122				195	-
Total Property	19,366	2,301	2,038	4,680	2,849	4,347	3,151	16,900	-
Vehicle Cameras	150		75	75				150	-
Grant Funds	(117)		(59)	(58)				(117)	-
Breathing Apparatus	500						500		-
Aerials	2,228	690	218	1,320				1,538	-
Aerial Rescue Pump	22	22							-
Fire Appliances	7,514	2,564	1,306	921	904	887	932	4,950	-
Ancillary Vehicles	2,755	473	110	982	1,037	153		2,282	-
Cars	2,047	501	360	108	286	531	261	1,546	-
Vans	2,048	920	98	323	302	170	235	1,128	-
Equipment	70			70				70	-
Total Fleet and Equipment	16,228	5,170	2,108	3,741	2,529	1,741	1,928	11,547	0
Total Expenditure	35,594	7,471	4,146	8,421	5,378	6,088	5,079	28,447	0

Estates Capital Budget 2022/23

Estates Capital Programme Expenditure 2022/23					
	Total Budget	Outturn	Variance	Overspend / Underspend	Slippage
Project	2022/23	2022/23	2022/23	2022/23	2023/24
	£'000	£'000	£'000		
Shared Investment Schemes					
Integrated Transport Project	35		(35)		(35)
Roedean Betterment	25		(25)		(25)
Bohemia Road Betterment	95		(95)		(95)
Fort Road - RIBA Stages 1-2	45	21	(24)		(24)
Preston Circus	453	272	(181)		(181)
Total Shared Investment Schemes	653	293	(360)	-	(360)
Strategic Schemes					
Replacement Fuel Tanks (Incl. Partner contribution)	7	-	(7)		(7)
Design Guide:					
Hove	480	457	(23)		(23)
Roedean	22	8	(14)		(14)
Eastbourne	45	23	(22)		(22)
Bohemia Road	40	18	(22)		(22)
Security	98	28	(70)		(70)
Sustainability	40	1	(39)		(39)
MPTH:					
Eastbourne MPTH	30	19	(11)		(11)
Training Centre MPTH	36	27	(9)		(9)
Hove MPTH	35	17	(18)		(18)
Bohemia Road MPTH	39	18	(21)		(21)
Live Fire Training	15	1	(14)		(14)
Total Strategic Schemes	887	617	(270)	-	(270)
General Schemes					
Phase 1 General Costs	36	30	(6)		(6)
Seaford CIL (Incl. Partner contributions)	7	-	(7)		(7)
Barcombe CIL (Incl. Partner contributions)	9	-	(9)		(9)
Hailsham	8	-	(8)		(8)
Rye	45	9	(36)		(36)
Battle		-	-		-
Seaford HVP Alterations	87	87	-		-
Heathfield	9		(9)		(9)
Lewes	1	1	-		-
Total General Schemes	202	127	(75)	-	(75)
Total Bay Door, Floor, IT Building works	90	7	(83)		(83)
Total Training Tows	133	1	(132)		(132)
Total Temperature Control for Sleeping Pods	73	18	(55)		(55)
	2,038	1,063	(975)	-	(975)

Engineering Capital Budget

Engineering Capital Programme Expenditure 2022/23					
	Total Budget	Outturn	Variance	Overspend / Underspend	Slippage / Spend in Advance
Project	2022/23	2022/23	2022/23	2022/23	2023/24
	£'000	£'000	£'000		
Aerials					
GX04 BMY	218	218	-		
Total Aerials	218	218	-	-	-
Fire Appliances					
GX09 HJA		96	96		96
GX09 HJC		96	96		96
GX57 EUL		96	96		96
GX57 EUY	280	280	-		
GX57 EUZ	280	280	-		
GX57 EUU	280	280	-		
GX57 EUN	155	156	1	1	
GX57 EUP	155	156	1	1	
GX57 EUT	155	156	1	1	
Rounding			(2)	(2)	
Total Fire Appliances	1,306	1,594	288	1	287
Ancillary Vehicles					
GX51 UBM	110	109	(1)	(1)	
GX56 NWR	-	96	96		96
GX56 NWS	-	96	96		96
Total Ancillary Vehicles	110	301	191	(1)	192
Cars					
GU16 LUJ	12	12	-		
GU16 LUL	12	12	-		
GU16 LUO	28	28	-		
GU16 LUP	28	28	-		
GU16 LUT	28	28	-		
GU16 LVC	28	28	-		
GU16 LVD	28	28	-		
GU16 LVE	28	28	-		
GX64 DXE	12	12	-		
GX64 DXF	12	12	-		
GX64 DXG	12	12	-		
GX64 DXH	12	12	-		
GX65 JTZ	12	12	-		
GX65 JUA	12	12	-		
GX65 JUC	12	12	-		
GX65 JUE	12	12	-		
Pool Cars					
Pool Car 1	18	18	-		
Pool Car 2	18	18	-		
Pool Car 3	18	18	-		
Pool Car 4	18	18	-		
Total Cars	360	360	-	-	-
Vans					
GU16 LVH	38	38	-		
LC22 CYS	18	18	-		
GX64 DXZ	14	14	-		
GX64 DYA	14	14	-		
GX64 DYB	14	14	-		
Total Vans	98	98	-	-	-
Special Projects					
Vehicle Cameras	75	-	(75)		(75)
Vehicle Camera Grant Funding	(59)	-	59		59
Total Special Projects	16	-	(16)	-	(16)
Total	2,108	2,570	462	0	462

Reserves 2022/23

Description	Opening Balance	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	Projected Closing Balance	Lead AD
	01/04/2022	Original Planned Transfers In	Original Planned Transfers Out	Original Planned Transfers Net	Actual Transfers In	Actual Transfers Out	Actual Transfers Net	Net Change	as at 31 March 2023	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Earmarked Reserves										
Business Rate Pool Reserve*	829	0	(200)	(200)	291	(27)	264	464	1,093	Duncan Savage
Business Rates Retention Pilot - financial stability	112	0	(27)	(27)	0	(32)	(32)	(5)	80	Duncan Savage
Capital Programme Reserve	3,080	500	(3,209)	(2,709)	815	0	815	3,524	3,895	Duncan Savage
Covid-19	96	0	(64)	(64)	0	(25)	(25)	39	71	Duncan Savage
ESMCP ESFRS readiness	1,425	0	(30)	(30)	0	0	0	30	1,425	Hannah Scott-Youlton
ESMCP Regional Programme	163	0	(83)	(83)	0	(103)	(103)	(20)	60	Hannah Scott-Youlton
Improvement & Efficiency	809	0	(279)	(279)	0	(288)	(288)	(9)	521	Duncan Savage
Insurance	249	0	0	0	0	0	0	0	249	Duncan Savage
ITG Strategy	3,774	592	(3,188)	(2,596)	709	(974)	(265)	2,331	3,509	Duncan Savage
Mobilising Strategy	37	0	(425)	(425)	115	(77)	38	463	75	Duncan Savage
People Strategy	70	0	(15)	(15)	254	(12)	242	257	312	Julie King
Sprinklers	640	0	(200)	(200)	0	(200)	(200)	0	440	Hannah Scott-Youlton
BRR - Protection Uplift - Accreditation & RPL	23	0	0	0	0	0	0	0	23	Matt Lloyd
BRR - Protection Uplift - Grenfell / Infrastructure	5	0	0	0	0	(5)	(5)	(5)	0	Hannah Scott-Youlton
BRR - Protection Uplift - Protection	228	0	(46)	(46)	0	(102)	(102)	(56)	126	Matt Lloyd
Business Rate Tax Income Guarantee Scheme (75%)	31	0	0	0	0	(15)	(15)	(15)	16	Duncan Savage
Council Tax Income Guarantee Scheme (75%)	83	0	(29)	(29)	0	(42)	(42)	(13)	41	Duncan Savage
New Dimensions Grant	32	0	0	0	25	(9)	16	16	48	Hannah Scott-Youlton
Pensions Administration	190	0	(147)	(147)	29	(3)	26	173	216	Julie King
Responding to New Risks	33	0	0	0	0	(2)	(2)	(2)	31	Hannah Scott-Youlton
S31 Business Rate Retention Reliefs	906	0	(336)	(336)	0	(906)	(906)	(70)	0	Duncan Savage
Carry Forwards	173	0	(77)	(77)	0	(26)	(26)	51	147	Duncan Savage
Cadets	5	0	0	0	1	0	1	1	6	Matt Lloyd
Total Earmarked Reserves	12,993	1,092	(8,855)	(7,763)	2,239	(2,848)	(609)	7,154	12,384	
General Fund	1,913	0	0	0	0	(357)	(357)	1,556	1,556	Duncan Savage
Total Revenue Reserves	14,906	1,092	(8,356)	(7,263)	2,239	(3,205)	(966)	5,797	13,940	
Capital Receipts Reserve	4,255	0	(4,017)	(4,017)	(33)	(3,702)	(3,735)	292	520	Duncan Savage
Total Capital Reserves	4,255	0	(4,017)	(4,017)	(33)	(3,702)	(3,738)	282	520	
Total Usable Reserves	19,161	1,092	(12,872)	(11,780)	2,206	(6,907)	(4,701)	7,079	14,460	

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EAST SUSSEX FIRE AND RESCUE SERVICE

Meeting Policy & Resources Panel

Date 20 July 2023

Title of Report Revenue and Capital Budget 2023/24 and Capital Programme 2023/24 to 2027/28 Monitoring at Month 2 (end May).

By Duncan Savage – Assistant Director Resources/Treasurer

Lead Officer Alison Avery - Finance Manager

Background Papers Fire Authority Service Planning processes for 2023/24 and beyond – Revenue Budget 2023/24 and Capital Asset Strategy 2023/24 to 2027/28

Revenue and Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/27 – Provisional Outturn

Appendices

- Appendix 1: Revenue Budget 2023/24 Objective
- Appendix 2: Savings Programme 2023/24
- Appendix 3: Grants and Spending Plans 2023/24
- Appendix 4: Capital Programme 2023/24 to 2027/28
- Appendix 5: Estates & Engineering Capital Budgets 2023/24
- Appendix 6: Reserves 2023/24
- Appendix 7: Treasury Management Update

Implications (please tick ✓ and attach to report)

CORPORATE RISK		LEGAL	
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	

PURPOSE OF REPORT To report on the findings of the Month 2 monitoring undertaken on the Revenue and Capital Budget 2023/24 and Capital Programme 2023/24 to 2027/28.

EXECUTIVE SUMMARY This is the first report to Members for the 2023/24 financial year and highlights the findings from the Month 2 monitoring undertaken on the Revenue Budget 2023/24 and 5 year

Capital Programme 2023/24 to 2027/28, approved by the Authority in February 2023.

A net revenue overspend to the sum of £371,000 has been identified, as summarised in Appendix 1. This is due to the following pressures:

- Groups overspend, mainly wholetime pay and overtime (£962,000)
- CRM & Procurement unachieved savings (£170,000)
- Payroll posts due to budget error (£98,000)
- Firelink (£79,000)
- Unfunded pensions (£50,000)

These are offset by:

- Treasury Management income (£450,000)
- Wholetime Recruitment (£175,000)
- Corporate contingency (£168,000)
- Utilities (£120,000)
- Communications vacancies (£86,000)

There are a number of other small variances which contribute to the overspend.

Further work is required to review the forecast and management action is required in reviewing staffing and overtime forecasts.

Performance against the Savings Programme is summarised in Appendix 2 and detailed in section 5.

Performance against grants and spending plans is summarised in Appendix 3 and detailed in section 5.

Revenue and Capital programme risks are detailed in section 3, focusing specifically on areas that are subject to further investigation and the outcome could result in significant additional pressures in the current and future financial years.

The original 2023/24 Capital Budget and five year Capital Strategy of £28,280,000 was approved by the Fire Authority on 9 February 2023. The Capital Strategy has been increased to £28,793,000 to include slippage of £975,000 and allocation of spend in advance of £462,000 from 2022/23.

The current year Capital Budget was approved by the Fire Authority at £8,421,000 and updated to £8,934,000 (Property £5,655,000 and Fleet and Equipment £3,279,000) including slippage of £975,000 brought forward from 2022/23, allocation of spend in advance of £462,000 from 2022/23.

Officers have reviewed the capital plans for 2023/24 and report slippage on delivery of projects to the value of £1,591,000 (17.8%) and spend in advance of £148,000. In addition underspend of £76,000 is expected against capital schemes. Detailed information is contained within section 8. The Estates and Engineering Capital Projects 2023/24 are detailed in Appendix 4.

The position on reserves shows an opening balance of £14,460,00. The forecast net drawdown from reserves is £7,944,000, an increase of £651,000 compared to the planned drawdown of £7,293,000. This results in an estimated closing balance of £6,517,000, as detailed in section 9 and summarised in Appendix 5. This would reduce further if reserves are used to cover the inflation related risks described elsewhere in this report. Work is ongoing to review likely drawdown of reserves (including grants brought forward) for the rest of the current year on both Revenue and Capital projects.

There is an increase in the interest receivable on the Authority's cash investments of £17,545,000 due to the Bank of England's increase in base rate. Interest receivable is projected at £600,000, resulting in a surplus of £450,000 when compared to the budget. Interest payments on fixed rate loans of £9,817,000 are unaffected.

RECOMMENDATION

The Policy & Resources Panel is recommended to note:

- (i) the risks to Revenue Budget and the projected overspend;
- (ii) the risks to the Capital Programme and the projected in year underspend;
- (iii) the increased net forecast drawdown from reserves;
- (iv) the grants available and spending plans;
- (v) the monitoring of savings taken in 2023/24; and
- (vi) the current year investments and borrowing

1. **INTRODUCTION**

- 1.1 The Original Revenue Budget 2023/24 and Capital Strategy 2023/24 to 2027/28 was approved at the meeting of the Fire Authority on 9 February 2023.
- 1.2 This is the first report to Members for the 2023/24 financial year and highlights the findings from Month 2 (end May) monitoring undertaken on the Revenue and Capital Budget 2023/24 and Capital Programme 2023/24 to 2027/28. It should be noted the review is based on currently available information and the result may change as new information emerges during the year.

	This P&R (Month 2)	Last SLT (n/a)	Movement
	£'000	£'000	£'000
Revenue (see section 2)	371	-	371
Capital in year (see section 7)	(1,519)	-	(1,519)

- 1.3 The Revenue Budget approved by the Fire Authority in February 2023 was a net expenditure requirement of £45,057,000
- 1.4 A net revenue overspend to the sum of £371,000 has been identified at Month 2 (end May) and is reflected in the Revenue Budget 2023/24 objective summary at Appendix 1 and detailed in section 2.
- 1.5 The savings requirement 2023/24 is £1,295,000. The current position shows we have delivered or are on course to deliver £1,245,000 (96%) of savings. There is one saving at risk as detailed in Section 5.
- 1.6 The grants available total £3.9m, including grants brought forward from previous years, as summarised in Appendix 3 and detailed in section 5.
- 1.7 The five year Capital Strategy 2023/24 to 2027/28 was approved by the Fire Authority in February 2023 at £28,280,000. The Capital Strategy has been increased to £28,793,000 to include slippage of £975,000 and allocation of spend in advance of £462,000 from 2022/23. The 5 year Capital Programme is projected to underspend by £76,000 as detailed in section 8.
- 1.8 The Capital Budget for 2023/24 was approved by the Fire Authority at £8,421,000 and updated to £8,934,000 including slippage of £975,000 brought forward from 2022/23, allocation of spend in advance of £462,000 from 2022/23.
- 1.9 A number of Revenue Budget and Capital Programme risks are set out in section 3 which will be monitored throughout the year. The updated position on Contingency, Reserves, Borrowing and Investments is provided at sections 6, 8 and 9 respectively.

2. REVENUE BUDGET COMMENTARY

- 2.1 The Revenue Budget is projected to overspend by £371,000. This is summarised across divisions in Appendix 1 and detailed explanations are provided below.
- 2.2 **People Services:** Expected underspend of £10,000, as follows:
- 2.2.1 **AD Admin Support:** Expected underspend of £35,000 due to vacancy.
- 2.2.2 **Service Training Centre:** An underspend of £73,000 is expected. An underspend of £175,000 relates to Wholetime Firefighter recruitment budget, this is offset by pressures caused by over establishment due to long term sickness (£61,000) and on-call training (£44,000).
- 2.2.3 **Payroll:** An overspend of £98,000 is expected due to an error in the budget for Pensions posts.
- 2.3 **Resources/Treasurer:** Expected underspend of £78,000, as follows:
- 2.3.1 **AD Resources/Treasurer :** An overspend of £2,000 is expected.
- 2.3.2 **Estates:** An underspend of £120,000 is expected. This underspend relates to utilities costs as these are not expected to be as high as anticipated when setting the inflationary amount within the budget.
- 2.3.3 **ITG:** Currently expecting an underspend of £5,000. Underspends are expected of £57,000 in relation to project delays in Paging & Alerting and EDRMS and £86,000 in delays of the roll out of WAN services to all stations. These are offset by pressures of £79,000 Firelink due to an uplift in costs of 13.5%, £18,000 for additional Webex licences, £18,000 for SIM cards for portable services as a result of CRM and increased mobile working. In addition a reduction of £10,000 for printing has not been realised, and IT have a £5,000 overspend on staffing as ITG are fully established and a vacancy factor of 1% has been applied to all support staff pay budgets. A further £8,000 relates to pressures across the department.
- 2.3.4 **Finance:** An underspend of £4,000 is expected, £4,000 in relation to an individual working part time within the team.
- 2.3.5 **Procurement:** An overspend of £50,000 is expected. An overspend of £69,000 is expected in relation to uniform/workwear, offset by an underspend of £19,000 in relation to a staff vacancy.
- 2.4 **Planning and Improvement:** A forecast underspend of £97,000 is expected as follows:
- 2.4.1 **Communications:** An underspend of £93,000 is expected. Underspend of £86,000 relates to vacancies which will not be recruited to this financial year, with and additional £7,000 underspend relating to subscriptions and postage.
- 2.4.2 **Performance:** An underspend of £1,000 is expected. Budget of £44,000 for an officer to support HMI preparation is not expected to be required during 2023/24

and will be transferred to the Improvement and Efficiency reserve and held for use in 2024/25.

- 2.4.4 **Cost of Democracy:** An underspend of £3,000 is expected, with an overspend of £5,000 on staffing offset by underspends on members allowances (£5,000) and travelling (£3,000).
- 2.4.5 **CRMP:** Budget of £41,000 allocated for CRMP consultation is not expected to be required during 2023/24 and will be transferred to the Improvement and Efficiency reserve and held for use in 2024/25.
- 2.5 **Safer Communities:** An overspend of £937,000 is expected as follows:
 - 2.5.1 **AD Safer Communities:** An overspend of £104,000 is expected. This pressure relates to CRM savings which are allocated within Safer Communities and unlikely to be fully achieved in year, although further work is required to identify whether savings could be made within other departments.
 - 2.5.2 **Safer Communities Contingency:** There is currently an underspend reported of £40,000, this underspend relates to the on-call budget held as a contingency outside of the Groups.
 - 2.5.3 **IRMP:** The IRMP Delivery Team is reporting an underspend of £38,000 in relation to a part year vacancy and some costs being paid at development rate against a competent rate budget.
 - 2.5.4 **Groups:** The Groups are reporting an overspend of £962,000.

The Groups continue to be over-establishment (8.5 posts in April and 11 in May) due to the use of Fixed Term Contracts to cover long-term sickness, light duties and maternity leave.

The current pay forecast does not take into account all of the changes expected as a result of IRMP and the Finance team will work closely with HR to ensure these are accurately reflected going forwards.

The forecast overspend on overtime is currently £506,000 based on extrapolating the year-to-date spend using historic overtime trends as a base. Overtime paid in May amounted to £42,900. It is anticipated that overtime will reduce following the implementation of the Day Crewing Duty System and the increase in strength of the Flexible Resource Pool from August, but this still needs to be reviewed and updated within the forecast.

- 2.5.5 **Protection:** The current forecast for the Protection grant indicates that £85,000 would need to be drawn down from the Business Rate Pool reserve to support the team's costs during 2023-24.
- 2.5.6 **Prevention:** An underspend of £50,000 is expected. An underspend of £69,000 relates to a vacant Partnership & Engagement Manager, offset by an overspend of £19,500 relating to Cadets.

- 2.6 **Operational Support & Resilience:** A forecast overspend of £23,000 is expected as follows:
- 2.6.1 **AD OSR:** An overspend of £7,000 is expected, this relates to FBU overtime for which there is no budget.
- 2.6.2 **Engineering:** An overspend of £24,000 is expected. Overspend of £90,000 is attributable to maintenance of vehicles, specifically in relation to heavy appliances and an additional £19,000 overspend is expected in relation to Cars & Vans, with less income expected from vehicle sales. These are offset by underspends on fuel (£41,000) where the budgets were increased for inflation, but prices have dropped considerably in recent months and a further underspend of £44,000 across a number of categories. Engineering are working towards bringing their forecast in line with the budget.
- 2.6.3 **Ops P&P:** An underspend of £33,000 is expected relating vacancies within the team.
- 2.6.4 **Control Room:** An overspend of £25,000 is expected. This is based on the latest forecast received from Surrey, with the overspend largely relating to the grey book pay award. A further update is expected from Surrey after Q1.
- 2.7 **CFO:** An overspend of £32,000 is expected. Overspend of £38,000 relates pay and is mainly due to the gold book pay award backdated to 1 January 2022. Additionally underspend of £6,000 is expected across a number of non-pay budgets.
- 2.8 **Treasury Management:** This income budget is expected to overachieve by £450,000 due to high interest rates.
- 2.9 **Non Delegated Costs:** An overspend of £117,000 is expected. £50,000 overspend is due to unfunded pension costs, with £66,000 attributable to Procurement savings which have yet to be allocated across service budgets and a number of other small variances.
- 2.10 **Corporate Contingency:** A contingency budget of £143,000 is currently supporting the underspend position. SLT approved a transfer of £390,000 from the contingency budget to support the grey book pay award in relation to staff employed with a wholetime contract.
- 2.11 **Financing:** Current information indicates that the Service will receive £41,000 less funding than was anticipated when the budget was set. A pressure of £127,000 is expected in relation to business rates based on the latest forecasting model provided by Local Government Futures, which is offset by additional income of £86,000 in relation to collection fund surpluses. The budget for business rates income was based on estimates as the budget papers were finalised before all NNDR1s were received from billing authorities.

3. REVENUE BUDGET AND CAPITAL PROGRAMME RISKS

- 3.1 **Pension Costs:** There is continued reliance on one-off grant to fund increased contributions for FPS as well as the uncertainty on the cost and funding of the remedy from the Sargent case (initial estimate of historic liability approx. £5m, ongoing costs £0.9m p.a.). For the latter it is now understood that the cost will impact through the next quadrennial scheme valuation i.e. from 2025/26 onwards. The Authority will be directly liable for the cost of any Injury to Feelings claims and any additional administrative costs of implementing the remedy. The Government has also confirmed that it will not fund non scheme costs including unauthorised tax charges and scheme sanction charges in the current tax year. A Pension Administration reserve is held to fund costs resulting from remedy implementation. It is expected the balance of this reserve as at 31 March 2024 will be £111,000, with £105,000 committed in 2023/24 as funding for Pensions posts.
- 3.2 **Pay Award 2023/24:** The budget provided for 4% pay awards across gold, grey and green book staff.
- 3.2.1 Gold book pay awards backdated to January 2022 are included within the reported forecast position.
- 3.2.2 Grey book staff have been awarded 7% from 1 July 2022 and 5% from 1 July 2023, which is included within the forecast position. Total budget of £365,000 has been transferred from contingency to cover grey book pay awards for staff employed with a wholetime contract. Further work is to be completed in relation to Control Room and On-call.
- 3.2.3 Green book staff have been offered £1,925, this would result in a pressure of around £90,000. This offer has been rejected. An increase of 1% amounts to around £75,000.
- 3.3 **Worldwide Supply Chain Issues:** The impact of worldwide supply chain disruption is impacting construction projects across the nation. The dwindling supplies along with increased costs and long delivery times being experienced by the construction industry are impacting on the Capital Programme. Thus far the Estates team has worked with stakeholders to bring tender costs back within budget through value engineering where possible on those projects which the Authority committed to following the phase 1 review of the Estates Capital Programme, but this approach may not be sustainable. There are two potential impacts, firstly increases in the cost of projects and secondly slippage of projects and spend into future years (which could in itself lead to additional increased costs). The Phase 2 review which is considering all projects at Day Crewed and On Call stations will need to assess the impact of increased costs and affordability.
- 3.4 **Inflationary Contract Increases:** In addition to utilities and fuel additional budget provision was allocated for maintenance and term contracts (£70,000), legal services (£4,000) and catering (£6,000). A standard 2% inflationary budget increase was included for all non-pay totalling £181,000. This there is a risk pressures will arise across non pay spend budgets that cannot be absorbed. This position will continue to be monitored with input from Procurement.

4. MANAGING REVENUE BUDGET PRESSURES

4.1 As risks crystallise the resulting pressures will be included within the revenue budget forecast. As noted earlier in the report there is an expected pressure in excess of £95,000 relating to the green book pay award. A number of areas require further analysis to identify further pressures or opportunities.

4.2 At SLT in June it was agreed the following controls would be put in place for 2023/24:

- Workforce Planning Group will be used as a mechanism to:
 - Approve recruitment to all vacancies
 - Approve the use of agency staff
 - Have oversight of overtime spend (with a particular focus on Safer Communities & Training)
 - Review and agree forecasts for operational (grey book) strength.
- Management of discretionary spend to be a key focus, with Finance Business Partners working with budget managers to review opportunities to manage underspends on non-pay spend in 2023/24 with particular focus on areas such as training, estates maintenance and equipment (IT and Engineering).

The Finance team would review corporate opportunities to manage generic spend e.g. agency staff, conferences, catering, accommodation/venue hire, printing etc.

5. SAVINGS PROGRAMME 2023/24

5.1 Appendix 2 summarises the net savings requirement 2023/24 of £1,295,000. Work is in ongoing with Service managers to identify and report actual delivery of savings compared to budgeted savings.

5.2 Current projections show we have delivered or are on course to deliver £1,245,000 (96%) of savings.

The following saving is currently rated as red and causing a pressure in the revenue budget:

- £50,000 CRM – the total pressure for CRM reported within the forecast is £104,000 as previous years savings remain unachieved.

5.3 Further work is required to understand the impact of previous years unachieved savings on the 2023/24 forecast position.

6. GRANTS 2023/24

6.1 The Government has awarded grants for use on specific purposes and your officers will ensure these are delivered in accordance with grant conditions. These include grants awarded in year, brought forward from previous years where their spending

plans fall over more than financial year and others that require development of spending plans. The amount available is £3.9m, as summarised in Appendix 3.

6.2 The latest grants are detailed below:

6.2.2 **Surge Protection Grant Funding:** – this is specifically to deal with inspections for high rise buildings and other high-risk buildings. The grant conditions have been received. A further allocation of £358,079 has been awarded for 2023/24. A spend plan has been developed to utilise this grant and the £125,645 brought forward from 2022/23.

6.2.3 **Accreditation & RPL Grant Funding:** £22,737 is carried forward from 2022/23 for the purposes of accrediting fire protection officers and fire safety engineers. It is anticipated this grant will be utilised over the next two years.

6.2.4 **Fire Fighter Pension Scheme:** this is used towards the shortfall in employer's pension contributions.

6.2.5 **New Dimensions:** £47,667 is carried forward from 2022/23 and additional £33,930 grant relates to 2023/24. A spending plan is being developed to utilise this grant funding.

6.2.6 **Responding to New Risks:** £31,355 is carried forward from 2022/23, with the 2023/24 grant yet to be confirmed. A spending plan needs to be developed to utilise this grant funding.

7. **CONTINGENCY 2023/24**

7.1 The Fire Authority maintains a contingency in order to assist it in managing one-off unforeseen pressures and making investments within the financial year. At its' meeting held in February 2023, the Fire Authority agreed a contingency of £533,000 for the 2023/24 financial year. This included the general 2% inflation provision of £181,000 which has not been allocated out to relevant non pay spend budgets.

7.2 SLT agreed in June 2023 £390,000 of the contingency budget should be transferred to departments to cover the grey book pay award for wholetime staff.

8. **CAPITAL PROGRAMME COMMENTARY**

8.1 The original 2023/24 Capital Budget and five year Capital Strategy of £28,280,000 was approved by the Fire Authority on 9 February 2023. The Capital Strategy has been increased to £28,793,000 to include slippage of £975,000 and allocation of spend in advance of £462,000 from 2022/23.

8.2 The Capital Programme is funded by: Capital Receipts Reserve £520,000, Capital Programme Reserves £13,895,000 and New Borrowing £14,302,000 as shown in the table below. Overall, the revised 5 year Capital Programme is forecasted to come in £76,000 underspent.

	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Estates	4,680	2,849	4,347	3,151	1,090	16,117
Fleet & Equipment	3,741	2,529	1,741	1,928	2,224	12,163
Original Approved Programme	8,421	5,378	6,088	5,079	3,314	28,280
Slippage from 2022/23	975					975
Spend in Advance from 2022/23	(462)					(462)
Slippage to 2024/25	(1,591)	1,591				0
Spend in Advance from 2024/25	148	(148)				0
Underspend	(76)					(76)
Updated Capital Programme	7,415	6,821	6,088	5,079	3,314	28,717
Funded by:						
Capital Receipts Reserve	520	0	0	0	0	520
Capital Programme Reserve	4,895	1,500	2,000	2,500	3,000	13,895
New Borrowing / Need to Borrow	2,000	5,321	4,088	2,579	314	14,302
Updated Capital Programme	7,415	6,821	6,088	5,079	3,314	28,717

8.3 **Capital Funding** – The Service has also been successful in its bid for Community Infrastructure Levy (CIL) funding from Lewes District Council. £289,000 has been awarded which will part fund the planned enhancements at Barcombe and Seaford Fire Stations, reducing the need for future borrowing.

8.4 The **Capital Budget 2023/24** was approved by the Fire Authority at £8,421,000 and updated to £8,934,000 (Property £5,655,000 and Fleet and Equipment £3,279,000) including slippage of £975,000 brought forward from 2022/23 and allocation of spend in advance of £462,000 from 2022/23.

8.5 A review of the 2023/24 capital budget by officers has identified slippage to the value of £1,591,000 (17.8%) and spend in advance of £148,000. There is additional underspend of £76,000 expected, as summarised in Appendix 4.

8.5.1 The Estates / Property underspend is £1,499,000, of which £1,522,000 is slippage due to the reprioritisation and reprofiling of works and £23,000 relates to spend in advance. Work has been delayed in relation to the four MPTH and Training Towers, with some slippage expected in relation to Preston Circus.

8.5.2 The Fleet underspend is £20,000. Of this £69,000 relates to slippage where there has been a decision to pause the purchase of pool cars whilst a review is undertaken, additionally £125,000 spend in advance is expected in relation to the water carrier, where budget was previously slipped to 2024/25 during budget setting. Underspend of £76,000 relates to four vehicle purchases.

9 **RESERVES 2023/24**

9.1 The Fire Authority maintains Reserves in order to assist it in managing its specific spending plans across the financial year (Earmarked Reserves), making provisions for the financial risks it faces (General Fund Reserves) and making investments (Capital Receipts Reserve).

- 9.2 The opening balance of reserves at 1 April 2023 is £14.460m.
- 9.3 The forecast net drawdown from reserves totals £7,944,000 compared to the original planned net drawdown of £7,293,000. This is a net increase in drawdown of £651,000 resulting in an estimated balance at 31 March 2024 of £6,517,000 as summarised in the table below and detailed over individual reserves in Appendix 6.

	Balance at 1 April 2023	Original Planned Net Transfers	Forecast Net Transfers	Net change	Month 12 Balance at 31 March 2024
	£'000	2023/24 £'000	2023/24 £'000	2023/24 £'000	£'000
Earmarked Reserves	12,384	(7,086)	(7,743)	(657)	4,642
General Fund	1,556	319	319	0	1,875
Total Revenue Reserves	13,940	(6,767)	(7,424)	(657)	6,517
Total Capital Reserves	520	(526)	(520)	6	0
Total Usable Reserves	14,460	(7,293)	(7,944)	(651)	6,517

- 9.3 Work continues with budget managers to confirm the planned use of revenue and capital reserves in 2023/24.
- 9.4 The main reasons for the overall net increase in forecast drawdown of £651,000 are as follows:

Earmarked Reserves – Increase of (£657,000)

- £115,000 – changes to drawdown from Business Rates Pool Reserve based on P2 budget monitoring forecast for Protection spend
- (£797,000) – increased drawdown from ITG strategy reserve
- (£75,000) – increased drawdown from Mobilising reserve
- £83,000 – Additional transfer into the Improvement & Efficiency Reserve
- £11,000 – reduced drawdown from the Capital Programme Reserve
- £26,000 – reduced drawdown from the Carry Forward Reserve
- (£6,000) – increased drawdown from cadets reserve
- (£14,000) – increased drawdown in respect of grant balances carried forward

Capital Reserves – Decrease £6,000

£6,000 – due to balance of Capital Receipts Reserve being lower than anticipated when the budget was set and additional capital receipts received during 2023/24

10. **BORROWING AND INVESTMENT**

- 10.1 As at end May, the Authority held cash balances of £17,545,000 which are invested in accordance with the Treasury Management Strategy, as follows:

Counterparty	Duration	Amount	Interest Rate
		£m	%
Aberdeen Cash Money Market Fund	Overnight Access	3.000	4.44
Deutsche Cash Money Market Fund	Overnight Access	3.000	4.45
Aviva Cash Money Market Fund	Overnight Access	1.545	4.49
Barclays	95 Day Notice	4.000	4.55
Standard Chartered ESG	Fixed to 05/07/23	2.000	4.15
Standard Chartered ESG	Fixed to 10/08/23	1.000	4.27
Natwest	Fixed to 02/08/23	2.000	2.61
Natwest	Fixed to 03/05/24	1.000	4.82
Total Investments		17.545	

- 10.2 The Bank of England base rate rose to 4.5% in May from 4.25% at the beginning of the year. We are continuing to see an impact as Banks increase their rates on investments, resulting in higher levels of interest receivable. Latest modelling indicates the income of around £600,000 can be achieved, £450,000 above the budgeted level of £150,000.
- 10.2 The current forecast of a reduction in reserves of £7.944m means that the Service will need to monitor its liquidity and cashflow closely during the year and this may involve giving notice on some of its existing investments. Finance continues to work with the ESCC Treasury Management team to improve cash-flow monitoring.
- 10.3 The Authority has borrowing totalling £9,817,000 and there is no impact on the interest payable, as these are subject to fixed interest rate deals.
- 10.4 A further detailed updated on Treasury Management performance is included in Appendix 7.

Revenue Budget 2023/24 – Objective Summary

	Original Budget	Revised Budget	Projected Outturn	Variance	Variance
	£'000	£'000	£'000	£'000	%
People Services	4,200	4,213	4,202	(10)	(0.2)
Resources/Treasurer	9,093	9,093	9,015	(78)	(0.9)
Planning and Improvement	1,555	1,513	1,416	(97)	(6.4)
Total Deputy Chief Fire Officer	14,847	14,818	14,633	(185)	(8)
Safer Communities	22,862	23,301	24,238	937	4.0
Operational Support	4,942	4,923	4,946	23	0.5
Total Assistant Chief Fire Officer	27,805	28,224	29,184	960	4
CFO Staff	844	844	876	32	3.8
Treasury Management	755	755	305	(450)	(59.6)
Non Delegated costs	(1,052)	(1,053)	(936)	117	(11.1)
Corporate Contingency	533	143	0	(143)	(100.0)
Transfer from Reserves	(636)	(262)	(262)	0	0.0
Transfer to Reserves	1,961	1,587	1,587	0	0.0
Total Corporate	2,405	2,015	1,569	(445)	(167)
Total Net Expenditure	45,057	45,057	45,387	329	(170)
Financed By:					
RSG	(3,662)	(3,662)	(3,662)	0	(0)
Council Tax	(31,093)	(31,093)	(31,093)	0	0
Business Rates	(7,776)	(7,776)	(7,626)	150	(2)
Service Grant Allocation	(408)	(408)	(408)	0	0
Covid-19 Local Tax Support Grant	(56)	(56)	(56)	0	0
S31 Grants	(2,063)	(2,063)	(2,086)	(23)	1
Collection Fund Surplus/Deficit	0	0	(86)	(86)	0
Total Financing	(45,057)	(45,057)	(45,016)	41	(0)
Total Over / (Under) Spend	0	0	371	371	0

Savings Programme 2022/23

Description	Savings 23/24	Projection 22/23	At Risk	R.A.G Rating
	£'000	£'000	£'000	Select Status
Reduce contingency - one year only - reversal	48	48		
IT Projects to be reprofiled - reversal	33	33		
Procurement savings	(25)	(25)		
Insurance - installation of CCTV on fleet	(15)	(15)		
Telent contract savings	3	3		
CRM Benefits realisation	(50)		(50)	
IRMP savings	(49)	(49)		
Finance Business Partner	(60)	(60)		
Finance Support Services Contract	(35)	(35)		
Insurance - removal of PA cover	(23)	(23)		
EIRS	(27)	(27)		
Trustmarque 0365 EA Agreement	(20)	(20)		
Astrium	(8)	(8)		
BT	(22)	(22)		
ITG Training	(3)	(3)		
SEE Phase 4	(30)	(30)		
Finance and Improvement	(30)	(30)		
Additional Rates Savings	(106)	(106)		
Licences	(4)	(4)		
Consultant Fees	(20)	(20)		
E-recruitment	(4)	(4)		
Firewatch Benefits realisation	25	25		
HR travel and licences	(9)	(9)		
NHS recharges	(4)	(4)		
VDU eye tests	(2)	(2)		
Occupational health psychology	(8)	(8)		
Occupational health medical fees	(10)	(10)		
Officers subsistence	(1)	(1)		
EDI training	(10)	(10)		
Car allowance	(4)	(4)		
External training	(160)	(160)		
Engineering Fitting Out	(30)	(30)		
Engineering Heavy Rescue Equipment	(52)	(52)		
Control IT SLA	(199)	(199)		
Budget Error - CRM	(54)	(54)		
Additional Availability Allowance	(20)	(20)		
NI reduction	(230)	(230)		
Support Staff Pay Vacancy Factor	(80)	(80)		
Total Net Savings	(1,295)	(1,245)	(50)	

Appendix 3

Grants and Spending Plans 2023/24

Grants Requiring Claims	Lead AD	*Grant Brought Forward 1 April 2022 £	Grant 2023/24 £	Total Available Grant £	Claim Quarter 1 £	Claim Quarter 2 £	Claim Quarter 3 £	Claim Quarter 4 £	Balance Remaining £
ESMCP - LTR Regional	Hannah Scott-Youlton	59,725	-	59,725	No claims will be made during 2023/24				59,725
**ESMCP - Infrastructure	Hannah Scott-Youlton	1,425,000	-	1,425,000	No claims expected this year				1,425,000
Accreditation & RPL Funding	Matt Lloyd	22,737	-	22,737	-	-	-	-	22,737
Surge Protection Grant Funding - Protection Uplift	Matt Lloyd	125,645	358,079	483,724					483,724
		1,939,347		1,991,186	-	-	-	-	1,991,186

Grants - No Claims Requirement	Lead AD	Balance Remaining £	Grant 2023/24	Total Available Grant £	Comments	Balance Remaining
COVID - 19	Duncan Savage	71,656	-	71,656	Available to spend on Efficiency & Productivity	71,656
Firelink	Duncan Savage	0	143,420	143,420	Used to fund Airwave costs in 2023/24	143,420
New Dimensions	Hannah Scott-Youlton	31,739		31,739	Spending plan being developed	31,739
Pensions Grant	Duncan Savage	0	1,734,984	1,734,984	Used in 2023/24	1,734,984
Responding to New Risks	Hannah Scott-Youlton	32,520		32,520	Spending plan being developed	32,520
Total		1,083,975		1,942,663		1,942,663

Overall Total Grants		3,023,322		3,933,849					3,933,849
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Notes:
* the grants brought forward are held in earmarked reserves (Appendix 7)

Capital Programme 2023/24 to 2027/28

Capital Programme Expenditure 2022-23 to 2026-27	Total Budget	Total Previous Years	2023/24	2024/25	2025/26	2026/27	2027/28	Remain Spend	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Property									
Shared Investment Schemes									
Integrated Transport Project	800					800		800	-
Roedean Betterment	25		25					25	
Bohemia Road Betterment	95		95					95	
Fort Road - RIBA Stages 1-2	80	21	59					59	
Preston Circus	3,287	394	1,243	1,650				2,893	-
Total Shared Investment Schemes	4,287	415	1,422	1,650	-	800	-	3,872	-
Strategic Schemes									
- Replacement Fuel Tanks	492	450	42					42	-
- Partner contribution	(292)	(292)							-
- Replacement fuel tanks net cost	200	158	42	-	-	-	-	42	-
Design Guide	356	356							-
Hove	544	521	23					23	-
Roedean	482	53	429					429	-
Eastbourne	587	97	490					490	-
Bohemia Road	524	46	478					478	-
Security	386	95	291					291	-
Sustainability	171	22	119	30				149	-
MPTH	399	399							-
Eastbourne MPTH	259	26	233					233	-
Training Centre MPTH	308	34	274					274	-
Hove MPTH	278	24	254					254	-
Bohemia Road MPTH	257	26	231					231	-
Live Fire Training	4,000	49	34	437	2,500	980		3,951	-
Total Strategic Schemes	8,751	1,906	2,898	467	2,500	980	-	6,845	-
General Schemes									
General Schemes	830	830							-
Phase 1 General Costs	36	30	6					6	-
Seaford CIL	296	3	12	281				293	-
Seaford CIL partner Contribution	(133)			(133)				(133)	-
Barcombe CIL	392	4	14	374				388	-
Barcombe CIL Partner Contribution	(156)			(156)				(156)	-
The Ridge	408			20	388			408	-
Hailsham	184	19	8	10	147			165	-
Rye	532	12	36	17	467			520	-
Battle	163	1			56	106		162	-
Herstmonceux	279					50	229	279	-
Bexhill	460					200	260	460	-
Heathfield	280	9	9	19	243			271	-
Uckfield	495	8			100	387		487	-
Lewes	578	7			241	330		571	-
Pevensy	181					30	151	181	-
Forest Row	197					30	167	197	-
Mayfield	203					30	173	203	-
Broad Oak	30						30	30	-
Burwash	30						30	30	-
Wadhurst	50						50	50	-
Seaford HVP Alterations	94	94							-
Total General Schemes	5,429	1,017	85	432	1,642	1,163	1,090	4,412	-
Bay Doors, Floors, IT	1,515	7	795	300	205	208		1,508	-
Training Towers	279	1	278					278	-
Temperature Control in Sleeping Pods	195	18	177					177	-
Total Property	20,456	3,364	5,655	2,849	4,347	3,151	1,090	17,092	-
Vehicle Cameras	150		150					150	-
Grant Funds	(117)		(117)					(117)	-
Breathing Apparatus	1,000					500	500	1,000	-
Aerials	2,228	908	1,250					1,250	(70)
Aerial Rescue Pump	22	22							-
Fire Appliances	8,566	4,158	563	904	887	932	1,122	4,408	-
Ancillary Vehicles	2,956	774	915	1,037	153		77	2,182	-
Cars	2,189	861	29	286	531	261	215	1,322	(6)
Vans	2,358	1,018	323	302	170	235	310	1,340	-
Equipment	70		70					70	-
Total Fleet and Equipment	16,228	7,741	3,183	2,529	1,741	1,928	2,224	11,605	(76)
Total Expenditure	36,684	11,105	8,838	5,378	6,088	5,079	3,314	28,697	(76)

Capital Programme 2023/24

Estates Capital Programme Expenditure 2023/24

Project	Total Budget	Forecast	Variance	Variance	Underspend/ Overspend	Spend in Advance	Slippage
	2023/24 £'000	2023/24 £'000	2023/24 £'000	2023/24 %	2023/24 £'000	2023/24 £'000	2023/24 £'000
Roedean Betterment	25	25	-	-			
Bohemia Road Betterment	95	95	-	-			
Fort Road - RIBA Stages 1-2	59	80	21	36%		21	
Preston Circus	1,243	1,045	(198)	-16%			(198)
Total Shared Investment Schemes	1,422	1,245	(177)		-	21	(198)
Replacement Fuel Tanks (incl. Partner contribution)	42	42	-	-			
Design Guide:							
Hove	23	4	(19)	-83%			(19)
Roedean	429	430	1	0%		1	
Eastbourne	490	490	-	-			
Bohemia Road	478	479	1	0%		1	
Security	291	291	-	-			
Sustainability	119	119	-	-			
MPTH:							
Eastbourne MPTH	233	-	(233)	-100%			(233)
Training Centre MPTH	274	-	(274)	-100%			(274)
Hove MPTH	254	-	(254)	-100%			(254)
Bohemia Road MPTH	231	-	(231)	-100%			(231)
Live Fire Training	34	34	-	-			
Total Strategic Schemes	2,898	1,889	(1,009)		-	2	(1,011)
Phase 1 General Costs	6	-	(6)	-100%			(6)
Seaford CIL (incl. Partner contribution)	12	12	-	-			
Barcombe CIL (incl. Partner contribution)	14	14	-	-			
Hailsham	8	8	-	-			
Rye	36	36	-	-			
Heathfield	9	9	-	-			
Total General Schemes	85	79	(6)	(0)	-	-	(6)
Total Bay Door, Floor, IT Building Works	795	766	(29)	-4%			(29)
Total Training Towers	278	-	(278)	-100%			(278)
Total Temperature Control for Sleeping Pods	177	177	-	-			
Total	5,655	4,156	(1,499)	-27%	-	23	(1,522)

Fleet Capital Programme Expenditure 2023/24

Project	Total Budget	Forecast	Variance	Variance	Underspend/ Overspend	Spend in Advance	Slippage
	2023/24 £'000	2023/24 £'000	2023/24 £'000	2023/24 %	2023/24 £'000	2023/24 £'000	2023/24 £'000
GX13ECD	525	525	-	-			
GX08JPF	795	795	-	-			
Total Aerials	1,320	1,320	-	-	-		
GX09HIA	222	204	(18)	-8%	(18)		
GX09HIC	222	204	(18)	-8%	(18)		
GX57EUL	189	154	(35)	-18%	(35)		
Total Fire Appliances	633	563	(70)		(70)		
MX08SXS	321	321	-	-			
TRA14	4	4	0	1%			
TRA6	43	43	-	-			
TRA7	43	43	-	-			
GX57 ELUV	-	125	125			125	
GX56 NWR	157	157	(0)	0%			
GX56 NWS	157	157	-	-			
GX03 AXM	-	-	-	-			
GX53 AZU	-	-	-	-			
GX53 AZV	-	-	-	-			
QU04 VNW	65	65	-	-			
Total Ancillary Vehicles	790	915	125		-	125	
GX15JIL	85	85	-	-			
GU16LSC	33	33	-	-			
GX17EBM	33	33	-	-			
GX68DHA	37	37	-	-			
Fire Investigation - NEW!	70	70	-	-			
Hazmat - NEW!	65	65	-	-			
Total Vans	323	323	-	-	-		
GV18 ABF	41	35	(6)	-14%	(6)		
GX66JVU	14	-	(14)	-100%			(14)
GX66JVW	14	-	(14)	-100%			(14)
GX66JVV	13	-	(13)	-100%			(13)
GX66JVY	13	-	(13)	-100%			(13)
GX66JVZ	13	-	(13)	-100%			(13)
Total Cars	108	35	(73)		(6)		(67)
Equipment	35	35	-	-			
CCTV Cameras	150	150	-	-			
ITF grant for CCTV cameras	(117)	(117)	-	-			
Equipment (Operational IRMP)	35	35	-	-			
Total Special Projects	103	103	-	-	-		
Rounding Adjustment	-	-	(2)				(2)
Total	3,279	3,259	(20)	-1%	(76)	125	(69)

Total Capital Programme Expenditure 2023/24

	Total Budget	Forecast	Variance	Variance	Underspend/ Overspend	Spend in Advance	Slippage
	2023/24 £'000	2023/24 £'000	2023/24 £'000	2023/24 %	2023/24 £'000	2023/24 £'000	2023/24 £'000
Total	8,934	7,415	(1,519)	-17%	(76)	148	(1,591)

Reserves 2023/24

Description	Opening Balance	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	Projected Closing Balance	Lead AD
	01/04/2023	Original Planned Transfers In	Original Planned Transfers Out	Original Planned Transfers Net	Forecast Transfers In	Forecast Transfers Out	Forecast Transfers Net	Net Change	as at 31 March 2024	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Earmarked Reserves										
Business Rate Pool Reserve*	1,093	0	(200)	(200)	0	(85)	(85)	115	1,008	Duncan Savage
Business Rates Retention Pilot - financial stability	80	0	(80)	(80)	0	(80)	(80)	0	0	Duncan Savage
Capital Programme Reserve	3,895	1000	(4,906)	(3,906)	1000	(4,895)	(3,895)	11	0	Duncan Savage
Covid-19	71	0	0	0	0	0	0	0	71	Duncan Savage
ESMCP ESFRS readiness	1,425	0	0	0	0	0	0	0	1,425	Hannah Scott-Youlton
ESMCP Regional Programme	60	0	0	0	0	0	0	0	60	Hannah Scott-Youlton
Improvement & Efficiency	521	0	(214)	(214)	83	(214)	(131)	83	390	Duncan Savage
Insurance	249	0	0	0	0	0	0	0	249	Duncan Savage
ITG Strategy	3,509	592	(2,199)	(1,607)	592	(2,996)	(2,404)	(797)	1,105	Duncan Savage
Mobilising Strategy	75	0	0	0	0	(75)	(75)	(75)	0	Duncan Savage
People Strategy	312	0	(130)	(130)	0	(130)	(130)	0	182	Julie King
Sprinklers	440	0	(440)	(440)	0	(440)	(440)	0	0	Hannah Scott-Youlton
BRR - Protection Uplift - Accreditation & RPL	23	0	(12)	(12)	0	(12)	(12)	0	11	Matt Lloyd
BRR - Protection Uplift - Protection	126	0	(96)	(96)	0	(96)	(96)	0	30	Matt Lloyd
Business Rate Tax Income Guarantee Scheme (75%)	16	0	(16)	(16)	0	(16)	(16)	0	0	Duncan Savage
Council Tax Income Guarantee Scheme (75%)	41	0	(42)	(42)	0	(42)	(42)	0	0	Duncan Savage
New Dimensions Grant	48	0	(32)	(32)	0	(48)	(48)	(16)	0	Hannah Scott-Youlton
Pensions Administration	216	0	(105)	(105)	0	(105)	(105)	0	111	Julie King
Responding to New Risks	31	0	(33)	(33)	0	(31)	(31)	2	0	Hannah Scott-Youlton
Carry Forwards	147	0	(173)	(173)	0	(147)	(147)	26	0	Duncan Savage
Cadets	6	0	0	0	0	(6)	(6)	(6)	0	Matt Lloyd
Total Earmarked Reserves	12,384	1,992	(6,678)	(7,086)	1,675	(9,418)	(7,743)	(657)	4,642	
General Fund	1,556	319	0	319	0	319	319	0	1,875	Duncan Savage
Total Revenue Reserves	13,940	1,911	(6,678)	(6,767)	1,675	(9,099)	(7,424)	(657)	6,517	
Capital Receipts Reserve	520	0	(526)	(526)	56	(576)	(520)	6	0	Duncan Savage
Total Capital Reserves	520	0	(526)	(526)	56	(576)	(520)	6	0	
Total Usable Reserves	14,460	1,911	(6,204)	(7,293)	1,731	(9,675)	(7,944)	(651)	6,517	

Fire Authority Treasury Management Update 2023/24 - Quarter 1

This update summarises the performance of the Authority's treasury management, against benchmarks and the key indicators set in the Treasury Management Strategy, as approved by the Fire Authority in its meeting of 9 February 2023.

Investments

Average Investment Balances £'000	Average Investment return	Average Bank rate	Difference
17,400	4.02%	4.34%	(0.32%)

The average investment return over months 1-2 has under-performed bank rate by 0.32%. This is typical in a rising interest rate environment as a result of the time lag between changes in base rate and investments maturing and being able to re-invest at more favourable rates.

Borrowing

Capital Financing Requirement (CFR)	Original Estimate 2023/24 £'000	Forecast as at Month 2 2023/24 £'000
Opening CFR	9,887	9,817
Borrowing Need	2,989	2,000
Minimum Revenue Provision	(514)	(394)
Closing CFR	12,362	11,423

The above table shows the M2 forecast of the Capital Financing Requirement compared to the estimate within the 2023/24 strategy approved in February 2023. The CFR is expected to give rise to new borrowing required in the year of £2.000m.

Borrowing Limits	Operational Boundary £'000	Authorised Borrowing Limit £'000
Limit set for 2023/24	13,600	15,000
Less: PFI & Leases	0	0
Limit for Underlying Borrowing	13,600	15,000
Actual External Borrowing at 31 May 2023	9,817	9,817
Headroom*	3,783	5,183

*cannot be less than zero

The above table shows that the Fire Authority are within the Operational Boundary and Authorised Borrowing Limits set within the TM strategy and has sufficient headroom to cover the borrowing need arising from the year's capital programme.

Maturity Structure of borrowing	Lower Limit set	Upper Limit set	Actual as at 31 May 2024
Under 12 Months	0%	25%	4%
12 months to 2 years	0%	40%	4%
2 years to 5 years	0%	60%	17%
5 years to 10 years	0%	80%	25%
10 years to 20 years	0%	80%	14%
20 years to 30 years	0%	80%	20%
30 years to 40 years	0%	80%	15%
40 years to 50 years	0%	80%	0%

The maturity profile of the Authority's borrowing is within the limits set within the strategy.

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